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R&W • Company Plan for Management Development

2JR • New Machinery for Jurisdictional Disputes

WEG • Company Attacks Roadblocks to Future Growth

• The Management Record Index for 1959



NATIONAL INDUSTRIAL CONFERENCE BOARD, INC.

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• In the Record •

Gearing Management Development to Company Expansion

In the postwar period of economic expansion, many companies have experienced substantial growth. New product lines have been added; net sales doubled; profits increased. Sometimes, however, this kind of expansion has considerably outpaced the training and developing of managers needed to guide the company to future success. In other cases, a firm has relied upon a "package" management development program, only to realize later that the package did not fit its particular bundle of needs and problems.

Mead Johnson is a company that has avoided such pitfalls. As the firm grew in recent years, a carefully tailored program was worked out to insure that its management personnel would be given every opportunity to grow with the company—and thus serve both the firm's and the individuals' own best interests. The article starting on the next page tells how the program evolved, what it entails, and how it is working today in this company.

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Champion Attacks 6,643 Roadblocks

Corporations, like people, don't usually enjoy admitting weaknesses. But if there's no helping it, the admission is generally made to as few people as possible. Hence, when one company announced in a leading financial daily that it had discovered more than 6,000 problems or "roadblocks" in its own organization, it caused quite a stir.

The company emphasized that it was not going out of business nor did it fear the influence of adverse publicity on sales. It simply felt that a full disclosure of problems that might impede future growth was essential to involving its people in their solution. How the Champion Paper and Fibre Company located its problems, how it went about solving them, and what it learned from the process is the subject of the article on page 394.

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Starting Salaries for College Graduates

While recognizing that high starting salaries for college graduates frequently disturb internal equity of pay, many companies have felt they were needed to attract the right

men. Are these companies underestimating the graduate? Perhaps the size of the starting salary is not his first consideration when looking for a job.

A survey of young scientists and engineers indicates that this may be the case. As a matter of fact, the survey reveals that salary ranked seventh in a listing of factors influencing job selection. Employers, too, believe that there are other inducements as important as starting salary. For an examination of the many facets of this question, see "Starting Salaries for College Graduates" on page 392.

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AFL-CIO Plans New Machinery for Jurisdictional Disputes

Labor's problems, many argue, are both external and internal. Numbered among the external problems are automation and the effect of regulatory legislation. Among the internal difficulties not the least troublesome is the nagging question of jurisdictional disputes. Few issues have so sapped labor's strength or so denigrated its public relations' image.

In recent years, the AFL-CIO has accelerated its efforts to eliminate this weakness. To crown its endeavors, the federation's executive council set up a special committee in August of this year. The committee outlined a step-by-step settlement procedure, including arbitration as a last resort. The article on page 399 analyzes the committee's recommendations and traces the history of the jurisdictional dispute problem and previous efforts to solve it.

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Ideas for Inplant Food Services

No one would question that the primary purpose of a company cafeteria is to serve employees nutritious food at reasonable prices. Yet, granted this basic premise, the food may either be served in a drab, "institutional" atmosphere in an unimaginative manner, or meals may be made interesting and the surroundings attractive. Nor does this necessarily mean expensive alterations in decor or equipment. Much can be done on a limited budget.

In the article starting on page 403, ten experts on inplant cafeterias give many suggestions for making meal time more interesting, surroundings more appealing, and service more efficient.

Gearing Management Development to Company Expansion

MANAGEMENT DEVELOPMENT activity has assumed the proportions of an industrial phenomenon in the postwar years. Many millions of dollars and thousands of hours have been spent developing managers. Management men have conferred and been rotated through jobs; they have played roles and business games, studied cases, been spoken to and lectured at. Fads in development techniques have appeared and disappeared in quick succession.

Several factors account for this tremendous interest in developing managers. Few men were recruited into the lower ranks of management during the depression Thirties. The wartime Forties focused upon production rather than development. Both of these factors have resulted in an appreciable age gap in the middle and upper managerial group of almost every industry.

Since the end of the war, business has grown in size and complexity and has been subjected to new competitive forces. Mergers and acquisitions have created problems of integrating diverse new company units into a total corporate structure. Decentralization has pushed the responsibility for decision making further and further down the operating line. Each of these factors has called for a higher standard of managerial performance at every level and has forced many managers to accept greater responsibilities at an earlier age and with less experience than would have been true twenty years ago.

When all of these factors bear simultaneously upon one company in a highly competitive industry, the problems can be overwhelming—or they can be a challenge to the company to provide still better management.

For example, consider a company which, since 1952:

- Has completely reorganized its corporate structure and added elements of control and staff services which had previously been lacking.
- Has entered one new product field, acquired a company to strengthen another product line, and has dropped a line in consideration of long-term corporate objectives.
- Has increased its net sales 100%, with a 135% increase in profits, and has a plan for doubling its sales in five years.
- Has increased its research staff over 300%, to the point where it now employs more scientists and

professionals than manufacturing personnel at its main plant.

Probably that description will lead many management to say: "That's us!" For growth and diversification have been the general rule in industry. In this instance, THE CONFERENCE BOARD selected one such company to find out what it has done to insure having a management adequate to carry out its new corporate goals.

The firm is Mead Johnson and Company of Evansville, Indiana, a manufacturer of ethical nutritional and pharmaceutical products. To meet its development needs, it has created a program of testing, counseling, and appraisals, and it has developed its own educational institute. A look at the evolution of this company's management development program provides a case study of one company's response to a management challenge.

HISTORY AND OBJECTIVES OF THE COMPANY

E. Mead Johnson founded the American Ferment Company in Jersey City in 1900. In 1905 the name was changed to Mead Johnson and Company, and in 1915 the firm moved to its present home in Evansville. Its product was Dextri-Maltose, a milk modifier for infant formulas. Through the years the company developed the first pure vitamin D, the first standardized cod liver oil, the Pablum line of infant cereals, and a multi-vitamin line for children. Lambert D. Johnson succeeded his father as president in 1934. In 1955 he became chairman, and the executive vice-president, a nephew, D. Mead Johnson, moved up. The company prospered and was recognized as a leader in its highly specialized field of pediatric nutrition.

In this situation a family company might have taken pride in its past achievements and developed its objectives in terms of maintaining the status quo. Instead, Mead Johnson set its sights on continued growth, expansion, and diversification. Because of the reputation for high quality which the firm enjoyed among physicians, it decided that its future expansion lay in the field of ethical specialty pharmaceutical products. The company also believed that its greatest assets for attaining its goals in the future were its people.

The president said: "As far as I am concerned, there

is no such thing as an oversupply of talent at all echelons of a growing business.

"Regardless of how much progress we make in science and technology, we will need men at the helm of management and supervision in all functional areas to harness and effectively use these products for the good of society."

The company's attitude toward its human assets is reflected in its objectives. Three of the nine corporate objectives are concerned with people. They are:

- "To provide for adequate and trained management talent at all levels as required by the continuous needs of the business.
- "To provide formal training for all employees to promote individual growth and development.
- "To maintain a high level of employee morale through continuous sound leadership and administration."

These objectives do not reflect sheer altruism on the part of the company. It believes that success in the ethical drug industry depends upon basic and applied research, efficient production and distribution, and imaginative though restrained promotion through medical channels. The company believes that its success requires that it produce constant innovations. And innovations are the product of creative people.

For Mead Johnson, a modern management structure was almost an innovation. The company was satisfied that it had been operating with great success. But its plans for the future required that the management develop skills in new functional areas. Some idea of the magnitude of this change may be gained by looking at the personnel function. In 1952, personnel consisted of an employment manager, an assistant employment manager, and the first-aid service. By 1957, the changed pace and the new activities of the company required the specialized services shown on Chart 1 on the next page.

By 1959 the company had decentralized operations to six line divisions. Seven corporate staff departments and an organization planning director provided services. The company's general organization is shown on Chart 2.

Organizational changes have not been the only innovations required. While the long established nutritional products remain leading sellers in their fields, the major portion of sales today is accounted for by drugs developed in the last few years. Ten new products were introduced in 1956 and another seven in 1957. Others are about to be introduced, and more are in the last stages of clinical investigation for effectiveness and safety. Yet 1955 was the first year of full-scale research activity under the new program; the years 1952 through 1954 were spent primarily in building and equipping new laboratories.

Similar changes have been brought about in all func-

tional areas of the business. The company "atmosphere" is patently one of growth and change. And employee development has both taken advantage of this atmosphere and helped to create it. But just how has the program itself developed?

PERSONNEL DEVELOPMENT PROGRAM

The program was not created at one stroke of someone's pen. It arose in response to the company's situation and it evolved in terms of the company's specific needs. It was apparent that some program would be needed to assist the management in meeting its self-imposed obligation to develop its abilities in new functional areas. Rather than put together a program combining a bit of the current fads with a smattering of what the company across town was doing, Mead Johnson decided to work more slowly, building upon management's strengths to overcome its weaknesses. As a first step, that required finding out just what those strengths and weaknesses were.

In 1954 a consulting firm was asked to assist with the creation of a personnel development department. With their help, during 1955 and 1956 the company put an appraisal program into operation with the seventy top executives of Mead Johnson. A personnel development department was created in 1957 to continue working with the original top-level group and to expand the program to include 140 additional managers.

With specific information about areas in which development would be needed, the company decided the time had come to do something about it. Therefore, 1957 also saw the creation of the Mead Johnson Institute. The director of the executive development program at the University of Houston was hired to be the institute director. The following objectives were set for the institute:

- "To improve the conceptual, human relations, and technical abilities of all employees in accordance with the requirements of their company responsibilities.
- "To improve the general ability of all employees to carry out their current position assignments.
- "To improve the abilities of the management group to perform their functions as developers of others."

The institute is the company's "training department." However, the scope of its curriculum is far broader than that designation implies. It has offered courses ranging from secretarial practices through a wide range of management-education courses to foreign languages, but always because the courses were needed by company personnel for the better performance of their jobs.

The institute and the personnel development de-

Chart 1: The Organization of the Personnel Function, Mead Johnson and Company, Summer, 1959.
The Increased Scope of the Function is Revealed by the Units Included on the Chart

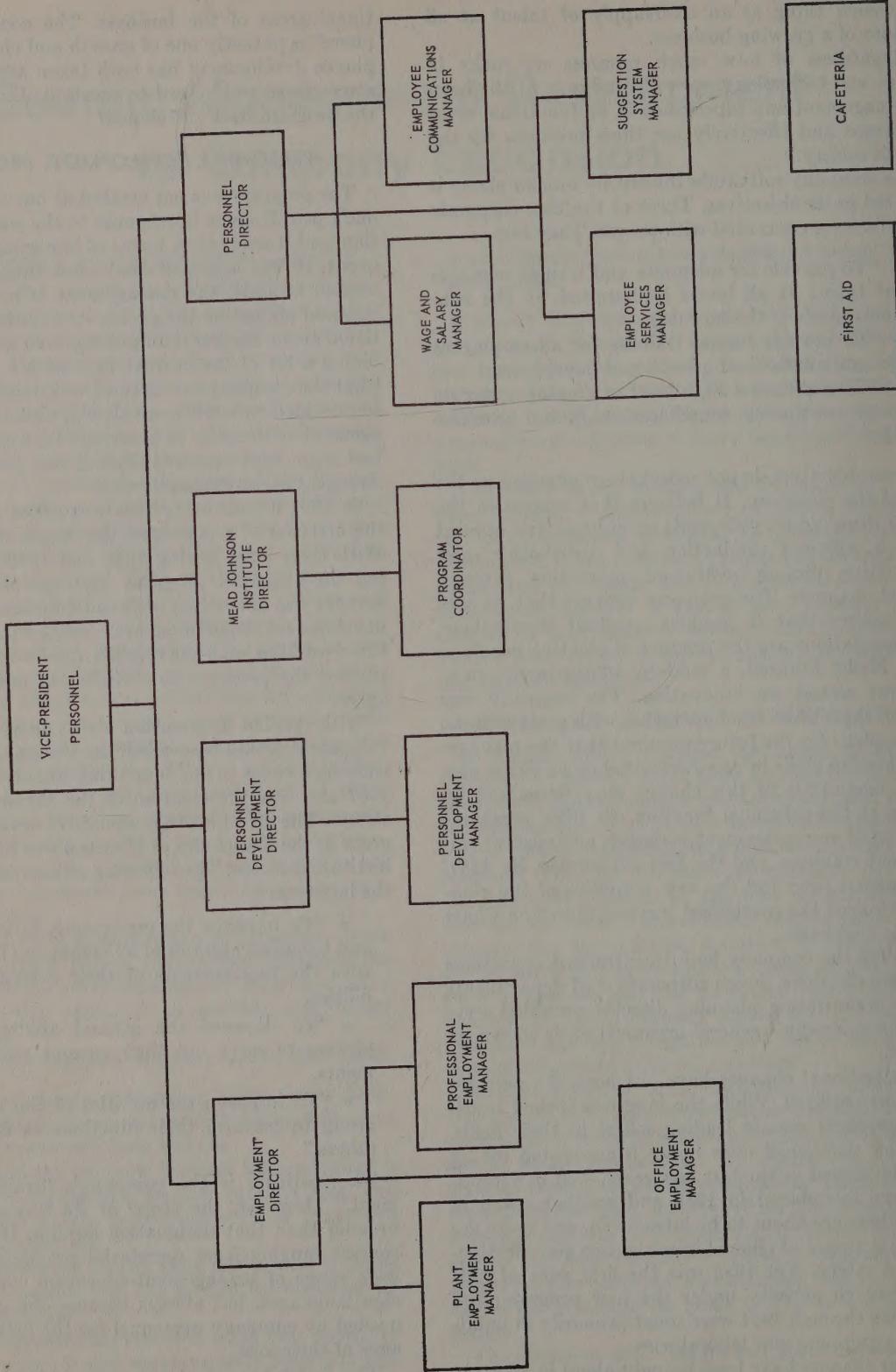
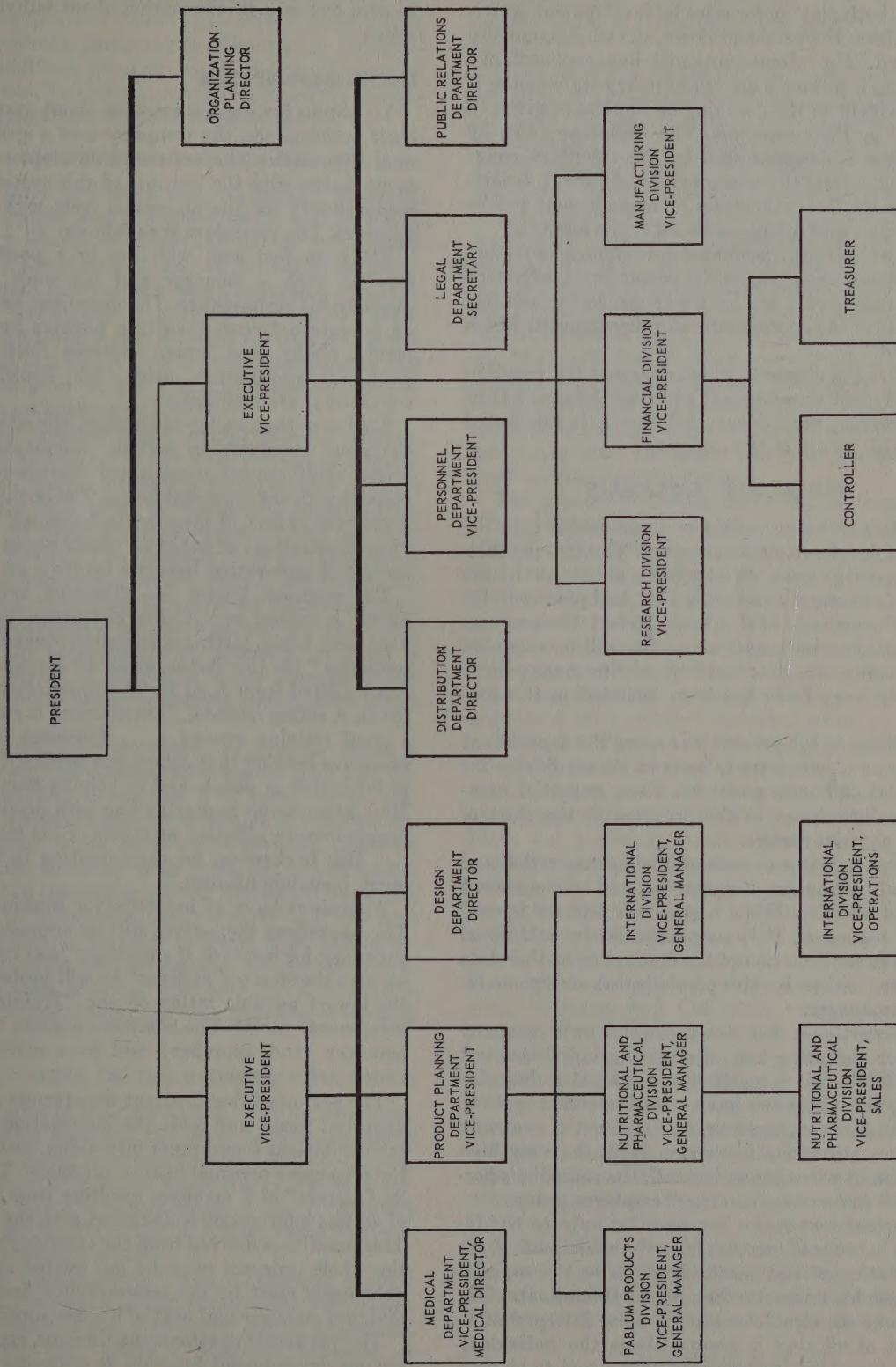


Chart 2: The General Organization of Mead Johnson and Company, Summer, 1959. Decentralized Operations with Central Services — A Plan for Corporate Expansion



Note: Heavy lines indicate the service or staff units of the organization.

partment both play major roles in development activities. But, from the president down, the whole company is involved. The often-mentioned line responsibility for training is not only quoted in policy statements; it is daily evident in the coaching and guidance given to managers by their superiors. The acceptance won by the program is demonstrated by the voluntary counseling sought from the personnel development department and by the enthusiasm of management people for teaching—and taking—courses at the institute.

In the words of the personnel development director: "The company requires that its people be development minded. Our people are held responsible for availing themselves of the opportunities for development which are offered."

What are the elements which comprise the program of management development at Mead Johnson? How is the program carried out and how is it integrated into the daily work of the company?

TESTING AND APPRAISALS

One place to begin looking at these details is in the personnel development department. The two psychologists currently work directly with about 500 of the company's managers and scientists. And plans call for continued expansion of this work. In fact, the program of testing, appraisals, and counseling will be extended to 200 managers a year until the entire management and supervisory force has been included in the program.

In addition to the present managers, the department interviews and administers tests to all candidates for managerial and sales positions. Thus, potential managers are introduced to the program at the start of their managerial careers.

The department uses tests of intelligence, verbal and nonverbal reasoning, personality, and management skills and abilities. While a standard battery is used with all managers, it is supplemented by additional tests where confirmation of the findings or further data are desired either by the psychologists or by an individual manager.

The department has developed its own company norms for analyzing and interpreting individual test results. While this is generally considered a desirable practice, few companies have a staff qualified to do it. For Mead Johnson, however, development of company norms was absolutely necessary. With the very high proportion of scientists on its staff, the company's personnel are just not an "average" employee group.

The actual test scores are revealed only to the individual in order to increase his self-understanding. An interpretation of test results is given to the superior to increase his understanding of the subordinate. The scores take on significance only when interpreted in the light of all that is known about the individual. Testing, therefore, is considered only a tool to be used

to gain one sort of information about individual managers.

Line Management's Role

To obtain further information about managers and their performance, the company uses a system of annual appraisals. The personnel development department assists with the routines of this system, but the responsibility for the appraisals rests with line management. The procedure is as follows.

Three to five men who are in a position to be familiar with a manager and his work separately evaluate his performance. The appraisers rate the man on seventeen factors involving position performance, mental ability, and human relations. Such factors as work accomplishment, drive, job knowledge, and supervision are included.

To insure that, as far as possible, appraisers will use the same standards in making judgments, the personnel development department distributes a guide booklet with the appraisal forms. The booklet contains definitions of each of the seventeen factors. It also provides illustrations of behavior which would be characteristic of each rating that can be given on a factor.

For example, Factor 15, "Training and Development," is defined as: "Ability to increase job performance and bring forth management qualities in subordinates." On this factor, as on all the others, a man can be rated from A to E. The illustrations provided for an A rating include: "Department is recognized as a good training ground. . . . Possesses the type of executive bearing that others can profitably copy. . . . Is interested in people and in helping them grow. . . . Has patience and understanding with people. . . . New people become effective members of his team quickly. . . . Has backers-up for each position in his department, including his own."

Appraisers have an incentive for working carefully. The appraisers themselves will be appraised by their superiors; for instance, if a manager "has trouble sizing up his subordinates' abilities" he will probably receive the lowest possible rating on the "Training and Development" factor. The company expects that a good manager (and appraiser) will be a careful and accurate judge of men.

The personnel development department collects the appraisal forms and adds the information to its own interpretations based upon interviews, test scores and the manager's personal history summary. The composite "picture" of a manager resulting from the pooling of all this information is discussed with the man's boss. This practice is derived from the company's belief that the whole program must be job related and that development must be the responsibility first of the individual manager and next of his line superior.

The personnel development director explains: "We see our development function as centering around the

promotion of improved personal understanding between supervisor and subordinate, understanding as to job requirements, performance effectiveness, advancement possibilities, training needs, and developmental opportunities. To this end, we work almost exclusively through supervisors with line responsibilities."

AN INDIVIDUAL APPROACH

Out of these appraisals come individual plans for self-development jointly worked out by each man and his superior. Major objectives and specific points to be emphasized are identified, and an individual improvement program is developed. Mead Johnson insists that each man participate in working out his own plan, rather than having a plan dictated for him, because it feels that in this way it taps the man's enthusiasm and ambition to grow with the company and channels it toward the company's objectives.

A typical program might include planned reading, attendance at courses in the institute and at outside universities, special on-the-job projects, and perhaps participation in a plant or community organization. As would be expected, development plans are definitely job related. The company does not consider it to be its function to provide general education. An employee's growth must be beneficial to the company as well as to himself if it is to be part of the company's program. The management development program is seen as a means of providing better managers now as well as in the future by helping men to help themselves.

The personnel development department keeps a record of each individual's development plan and follows up regularly to see that it is being carried forward. For managers who have trouble developing appropriate goals or for those whose personal problems prevent their attaining their goals, the psychologists also provide a counseling service. The objective of this service is to increase a man's insight into his own personality and to help him evaluate more accurately his own strengths and weaknesses. The personnel development staff believes that only by increasing a man's self-understanding can they help him to develop himself.

ROLE OF THE INSTITUTE

In the course of their work in the testing, appraisal, and counseling program, the psychologists sometimes discover a training need common to a number of men. Here is where the institute takes over. Using information gained from the psychologists is one of the ways in which the institute staff is able to tailor the curriculum to company needs.

"Reading Improvement" and "Technical Report Writing" are examples of institute courses which were created to meet needs discovered during appraisals. The institute now offers a complete sequence of

courses in the area of communications, including a general course, "Managing Through Communications."

However the entire curriculum is not determined on the basis of appraisal information. Sometimes various company executives request that a course be given. "Bio-Statistics" is an example. Scientists from the research division asked if the institute could provide some work on the subject of bio-statistics, a technical tool extremely useful to people engaged in biological and medical research. It turned out that only one employee had had any formal training in the subject; others had picked up some of the techniques on the job. The reason for this gap in training became clear to the institute director when he tried to find people to teach the course. He discovered there were only a few people in the whole country who were completely qualified to handle the subject. However, two of these men were brought to Evansville for the highly advanced technical course. And the result has been a better trained staff for the research division.

The popularity of some of its courses surprises even the institute staff. Some time ago it was apparent that six scientists had to develop a command of the Russian language if they were to keep up with technical developments in their field. It was thought that a few more people might find the language useful enough to be interested in taking the course, so a general announcement was sent out. The response: 160 volunteers for what has proven to be one of the most popular of the institute's courses to date.

While the "Seminar in Russian" or a course such as "Business Operations and Environment" may last for a year or more, one- or two-day scientific seminars are also frequently scheduled. For example, last August there was a seminar on phenylketonuria, a rare congenital condition which causes mental retardation in infants. The company had developed a product for use in treating the condition. For the benefit of the research team in their continuing study of the disease, the institute brought together the physician from Norway who first identified the condition and doctors from Germany and California who had made important clinical investigations of it.

The company feels that a by-product of these scientific seminars is to make Mead Johnson more attractive to young scientists being recruited to the research division. For the entire company, the institute has become an important fringe benefit.

In addition to those already mentioned, the curriculum has included such diverse courses as "Changing Patterns of Organization," "Understanding Human Behavior," "How to Make the Most of Your Suggestions," and "1959 Profit Improvement." In two years, twenty-eight courses of varying subject matter and length have been offered to the company's employees.

(Continued on page 412)

Starting Salaries for College Graduates

Are the "ever-higher" salaries companies offer to college graduates necessary to attract the best candidates? Some companies are having second thoughts on this

WE'VE got to put the brakes on! Starting salaries for college graduates have gone up too fast." Thus spoke an employer who each year recruits hundreds of college graduates right off the campus.

What he referred to, of course, is the seemingly endless rise in starting salaries offered to college graduates. Since 1947, for example, starting salaries for engineering graduates have almost doubled, as shown in the following tabulation:

Year	Average Monthly Starting Salary ¹
1947	\$244
1948	250
1949	261
1950	260
1951	270
1952	305
1953	325
1954	345
1955	361
1956	394
1957	433
1958	468
1959	480

¹ National Industrial Conference Board, from annual surveys by Dr. Frank S. Endicott, Northwestern University.

According to the Midwest College Placement Association, employers are usually conservative in predicting what they will offer the next crop of college graduates—and then end up paying more than they had predicted. The association's annual recruiting survey for 1959¹ reveals that, whereas employers predicted their 1959 offers to college graduates would be 1.9% above their offers for the preceding year, when all the results were in it was found that the offers actually exceeded the previous year by about 4.5%. The predicted increase for 1960, according to the survey, is again about 1.9%.

The employer quoted earlier is not alone in voicing a protest. Others, too, are alarmed at the far-reaching effects of the constantly increasing starting salaries. The thinking of these companies might be summarized as follows:

- When the new college graduates are brought into the company at progressively higher salaries, it disturbs salary relationships not only with the

college graduates hired during preceding years but also with practically everyone in the organization—for example, those in manufacturing.

- If these disturbed relationships are ignored, these companies say, in time they result in serious inequities, cause suspicion and ill feeling, and are eventually detrimental to the over-all organization.

- But if all other salaries are jacked up to maintain previous relationships, obviously, the cost can be exorbitant and it all adds up to a strong inflationary force.

- Finally, these companies say they are beginning to suspect that when college recruiters try to outbid one another, they don't necessarily sign up the best candidates for their own particular company. As one employer put it: "If we attract a man by money alone, it may be the wrong man who expresses an overpowering desire to become a part of our organization."

These same companies express the belief that there are other inducements which are just as persuasive, if not more so, than the starting salary. They cite the availability of training programs and other means for college graduates to continue their education (such as the nearness of colleges or libraries); the opportunity for future advancement, as evidenced in the prospect of continued growth of the company; stability of employment (some companies are in a position to give greater assurances than others); the location of the company and the opportunity or likelihood, if any, of being transferred to other locations; the reputation of the company concerning its attitude toward its employees.

Factors Which Influenced the Job Selections of Young Engineers and Scientists

Influenced Decision Greatly	Per Cent Listing Factor
Potential growth of company	55%
Challenging opportunity	53
Company's prestige, reputation	44
Progressive research and development program	41
Geographic location	37
Permanent position	35
Starting salary	34
Educational facilities in vicinity	33
Regular salary increases	31
Chance to work on specific project or in certain field	27
Company's facilities (laboratories, technical libraries, etc.)	25
Tuition for graduate study	25

¹ Reported in the *Journal of College Placement*, October, 1959.

The college graduate, too, does not consider the starting salary all important, according to a survey conducted by the McGraw-Hill Department of Economics.¹ The results of this survey, detailed in the preceding table, indicate that starting salary was seventh in the ranking of important influences which played a part in the graduate's choice of a job.

Some of the largest employers of the college graduate have been vocal about their intention to hold the line. One company has made it known that because of the effect upon inflationary forces, as well as other

effects, their company is determined in 1960 not to exceed about a 2% increase in starting salaries for technical college graduates. This employer says: "We have concluded that if a candidate goes to another company for a few more dollars, it is not the money. It is simply a case of his being insufficiently interested in the type of opportunity we offer."

But whether this more vocal resistance to ascending starting salaries for college graduates actually does result in a slowing of the upward trend remains to be seen.

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¹ Reported in *Business Week*, July 13, 1957.

Management Bookshelf

Suggestion Plans in American Industry—This study, based on the experiences of two steel fabricating companies in the Chicago area, analyzes the role of foremen in the operation of a suggestion plan. It describes the part they play in the administration of the plan, what they can do to promote the plan among their subordinates, and how they can use the ideas the plan produces to reduce costs, increase safety, and clear the lines of communication between top management and rank-and-file employees. Some attention is given, too, to the question of whether foremen should be allowed to participate in suggestion plans and to the problem of overcoming their resistance to such plans. *By Stanley J. Seimer, Syracuse University Press, Syracuse, New York, 1959, 120 pp., \$3.*

Wage Policies and Wage Surveys—Today, wage and salary policies usually call for prevailing rates within the community or industry, for similar work. But the application of this seemingly straightforward method of wage determination creates problems for the plant-level executives who are responsible for wage and salary administration. How, for example, should "prevailing rates" and "within the community" be defined for wage-survey purposes? What can be done to allow for differences in job descriptions? Can survey data be used effectively if wages are determined by collective bargaining?

The author of this monograph attempts to supply practical guides for the executive who must answer such questions. In doing so, he analyzes and summarizes the actual experience of 750 Ohio manufacturing firms. Prevailing practices among these firms are presented in 138 tables. Separate analyses distinguish between factory and clerical jobs, union and nonunion plants, multiplant and single-plant operations, and such other variants as type of industry and geographical area. *By R. Stansbury Stockton, Ohio State University, Columbus, Ohio, 1959, 301 pp., \$5.*

The Construction Worker under Federal Wage Laws—A substantial part of the wages paid on construction projects in the United States today is vitally affected by such federal laws as the Davis-Bacon Act, the Federal Highway Act, the Copeland Act, the Fair Labor Standards Act, and

a number of other laws. This book attempts to answer the more frequent questions asked about the obligations, benefits, and mechanics of these laws. For employers, it is intended as a handbook of compliance; for construction workers and their representatives, it is offered as a guide for the protection of the rights and benefits accorded them under federal laws. *By Joseph M. Stone and John R. Brunozi, The Livingston Press, Washington, D. C., 1959, 129 pp., \$4.*

Handbook of Job Facts—This slim volume contains the vital statistics for 239 occupations. To illustrate, here is a portion of the information included under the fifteen standard headings for jobs in personnel:

Place of Employment—Industry, colleges, government, etc.

Nature of the Work—Screening job applicants, maintaining records, helping with wage and salary administration, etc.

Workers in Field—About 52,000

Per Cent Women—About 29%

Education Required—Bachelor's degree at least

Special Qualifications—Tact, common sense, maturity, etc.

Earnings—From about \$4,000 up

Hours per Week—Usually forty

Health Hazards—None

Trend of Employment—Expanding slowly

Competition for Jobs—Considerable, especially for the top jobs

Ways to Enter Field—From college, agency referral, etc.

Advancement—Slow, due to low turnover of personnel

Seasonal Variation—None

Where Jobs Are Located—Mainly in the large industrial centers

Employment counselors and others who work with young people should find this book useful. The information it contains is based largely on government reports and the opinions of informed people in the various occupational fields. *By the Guidance Service Department, Science Research Associates, Chicago, Illinois, 2nd edition, 1959, 160 pp., \$3.95.*

Champion Attacks 6,643 Roadblocks

Enlisting the help of employees and managers, this company identified problem situations and then designed a program to eliminate roadblocks to future growth

IT WAS ANNOUNCED in the press last February that the Champion Paper and Fibre Company had uncovered 6,500 problem situations through an employee attitude survey and through a series of management conferences.¹ Readers undoubtedly concluded that some reporter had his facts wrong. But readers who jumped to this conclusion were wrong. The 6,500 figure was too *low!* Actually, a total of 6,643 problem situations had been uncovered.

But one thing certainly was true. Champion *had* stuck its neck out. It had gone to great lengths to learn about all the things in its organization that might be improved. Management was looking ahead, and it wanted to do everything possible to prepare for all eventualities. Champion has long believed in management by objectives. Its management team has been constantly increasing the breadth and depth of the application of this concept. As important as the "roadblocks" themselves was the method by which they were to be removed. In short the *way* in which the job was done was as important as the *how*. It was another opportunity to replace "desk top" problem solving with group participation—identifying and solving problems by working with and through others. To quote one Champion executive:

"We knew we had problems—we always will. But our real concern is to identify our problems while they are pimples—before they fester into malignant growths because of neglect—and then to learn to develop solutions that reflect the best thoughts and ideas of everyone concerned with the problem at all levels of the organization.

"Attitude has a greater influence on performance of the individual or the group than any other single factor. Understanding is a significant element in attitude. Achieving understanding of the reasons for decisions and actions and providing an opportunity for appropriate and adequate participation in the decision-making process becomes increasingly difficult and complex in a rapidly growing, expanding and diversified enterprise such as ours."

Two Major Goals

In brief, Champion's management had two goals in mind. First, it wanted to learn of all "roadblocks" that might be handicapping the company's progress

or that might damage its future growth.² Once these situations were known, appropriate action could be determined. Second, Champion felt this approach would offer an opportunity to further the development of problem-solving skills among its managers and demonstrate to managers the importance of tapping the ideas of their people.

It was agreed that the two goals were closely related. Champion reasoned that one good way to develop managers would be to get them thinking about company problems and working with their people in finding ways of dealing effectively with these problems.

The president of Champion invited everyone on the payroll to come forward with problems, suggestions and ideas. During 1957 and 1958 suggestions about wages, operations, costs, supervision, working conditions, etc. were solicited. The employees' ideas were obtained in small discussion groups which reviewed the results of an attitude survey conducted by an outside consulting firm. The supervisors' ideas were obtained through discussion meetings led by department heads and others.

To make certain that no significant problems were being overlooked, other sources were tapped, too. These included:

- *Employee suggestions*—all suggestions made during 1956 and 1957 were studied.
- *Customer complaints*—ditto.
- *Employee complaints*—ditto except that a six-year period was used.
- *Management planning project reports*
- *Chapaco council unit reports*—this council comprises the management group at Champion.

In all, a grand total of 6,643 items were collected! More than one-half these items were contributed by the employee discussions of the attitude survey. Employees, of course, would be expected to contribute more ideas than supervisors and managers since there are so many more of them. At Champion the ratio is approximately eight to one.

² Champion's annual sales of paper, paperboard, and pulp have doubled in the last decade. There are 10,800 on the payroll, including 1,400 supervisors and managers. Headquarters are in Hamilton, Ohio. Plants are located in Hamilton, in North Carolina, and in Texas.

¹ *The Wall Street Journal*, February 24, 1959.

Furthermore, the attitude survey was an unusually comprehensive one. No fewer than 170 questions were asked. Each subject that was included probably reminded one or more employees of a problem situation. There was an opportunity for the employee to amplify his answers to many of the questions. Extra lines were provided so that he could make comments about the questions and tell why he answered as he did. This procedure was designed to add meaning and value to the checked answers.

Also, the written questionnaire approach was supplemented by a series of individual interviews. Every tenth employee was reached. In this way still more problem situations were discovered.

Council Meetings Productive

Champion owns considerable property in North Carolina and has established a meeting place on Lake Logan in that state for recreation and for management training. During 1957 and 1958 the members of Champion's management group were invited in groups of 100 to 125 to attend conferences at Lake Logan. These conferences are referred to as the Chapaco council meetings. All those attending these meetings were asked to discuss problems they faced on their jobs. Hundreds of problems were explored. They were called Chapaco roadblocks.

At one of the meetings it was proposed that a committee be named to deal with these roadblocks and also with the ideas and problems which came out of

the employee attitude survey and from other sources. Management accepted this proposal with enthusiasm. A key executive was named to head up the work. This was the beginning of Champion's "Operation Follow-Through."

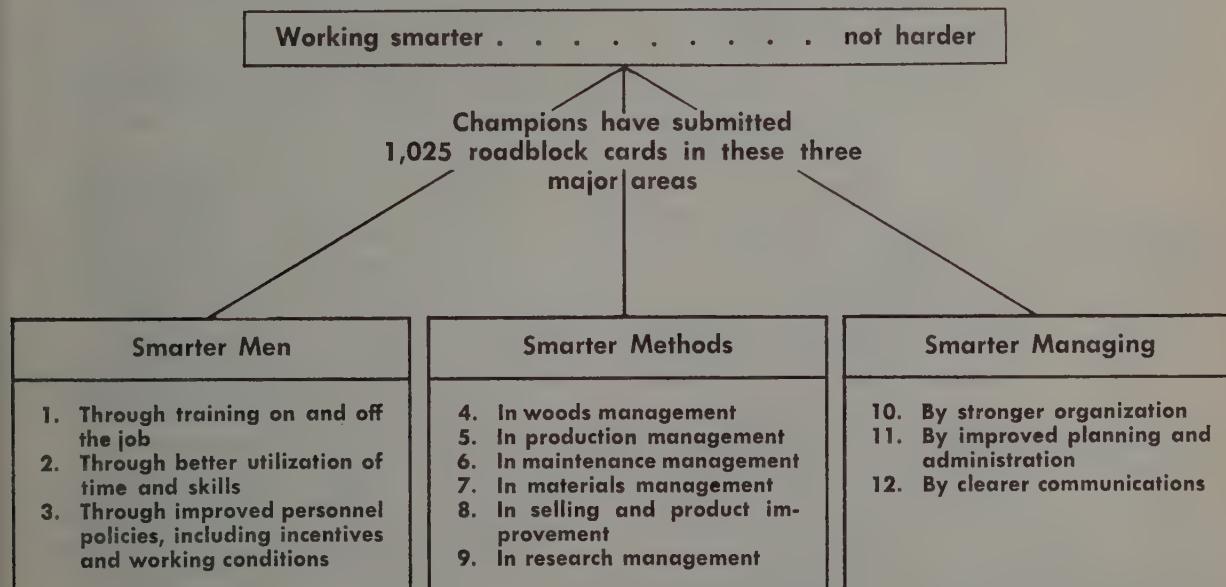
Follow-through teams were formed at each Champion location or division. In all, twenty-five persons were appointed to teams. Management set a target date of August, 1959 for completing the follow-through. The program was launched in August, 1958; thus, the teams had one year to do their work. During this period the twenty-five team members were relieved entirely of their regular duties. Champion was not taking the matter of follow-through lightly!

More than 6,000 problem situations confronted the teams. Such a figure might well appear overwhelming. But it proved challenging, not disheartening, to the Champion teams.

Similar items, of course, were submitted in many instances by more than one employee or supervisor. Thus, the number of *different* items was less than 6,000. But still the task facing the teams was a formidable one. An account of what happened in one of the three operating divisions of the company will illustrate how the follow-up work was accomplished.

When the 6,643 items were grouped by divisions it was found that 950 of them related to situations in the particular division. Thus, it was the responsibility of the division team to lay the groundwork to dispose of these 950 roadblocks. It may be noted that

Sharpening Champion's Competitive Edge*



* A graphic breakdown of more than 1,000 roadblock cards relating to management problems. These were discussed and used for training purposes at Champion's Chapaco conferences in 1958.

529 of the items were contributed by the employees (through the attitude survey and subsequent discussions), 403 by the supervisors (at the Chapaco council meetings), and that the remaining eighteen came from other sources.

The division manager appointed his team. It included one representative from each of five departments: production, personnel administration, controller, plant engineering, and management planning. This team met with the other follow-through teams at the company's general offices in Hamilton. Procedures were worked out during a week-long meeting. One matter was given special emphasis: each team was to be known as a staff unit which would counsel and assist its divisional line organization in removing the roadblocks; but it was the job of the line manager, not of the team, to solve problems and take action. This point was made clear to the managers as well as to members of the teams.

Action Initiated

Immediately upon returning to its base the division team studied and screened the 950 items on its list. (When like items were combined, the 950 figure was reduced to 524.) Two classifications were made: one to identify the unit in the division which would have primary responsibility for the follow-through, and the other to indicate the general nature of the problem and the type of action recommended.

Five action categories were established. They are shown below with an example of a follow-through item under each.

Category 1 — Items which can be acted upon immediately within the department.
(76 items) "Show film on materials handling."

Category 2 — Items requiring further study within the department and, if necessary, in related departments. "Need to stop so many overruns and shortages from machines."

Category 3 — Items requiring further division-wide study. "Workers not aware of the cost of down time."

Category 4 — Items requiring further company-wide study. "Change profit-sharing plan. Let each person pay his own insurance and leave profit sharing for retirement."

Category 5 — Items offering no basis for action or further study. "Parking—majority walk or ride busses."

The work of coding and classifying the items took ten days. At the same time other things were being done. The division manager sent a letter to each of his department heads announcing the program, explaining procedures, and fixing responsibilities. A few days

after the letter was mailed a member of the follow-through team explained what was being done at a meeting of all divisional management personnel.

All employees were reached. The "Fellow Champions" letter, shown in the accompanying box, was published in *Chips*, the division's house organ. At first the follow-through team planned to function as a single unit, moving into one department and working there until all the roadblocks had been dealt with, and then going to another department and repeating the process. But this procedure soon proved inefficient. A better one was developed.

Under the new procedure each team member was called a coordinator and each worked independently with a department manager. But the assistance of the full team still could be requested if and when the manager thought it was needed, and of course this occurred frequently. The new setup made it possible for the follow-up work to proceed simultaneously on five fronts, and satisfactory progress was noted almost immediately.

Things started to happen when a manager requested the coordinator to meet with him and review the roadblocks in his area of responsibility. Working together they reviewed all the problem situations that related to the department. A plan of action was agreed upon for each problem. The form that was used is reproduced on the opposite page.

Copy of Letter Appearing in "Chips" Announcing the Beginning of the Follow- Through Work

Fellow Champions:

One requirement of progressive business management is to recognize, analyze and take action to correct or eliminate difficulties that stand in the way of a company's advancement.

We are now engaged in very extensive efforts in this direction. Our department heads, with the assistance of the division follow-through committee, are now reviewing and beginning to take action on problems submitted by Champions through the survey and on roadblocks outlined by supervisors at Chapaco council sessions.

This broad program represents another of our company's major undertakings to build better jobs, increased security, improved working conditions and a brighter future for all of us.

In this and succeeding issues of *Chips*, and through other means, you will be kept informed on the progress of this important work. I am sure we will all follow with keen personal interest this project which is so vital to all Champions.

(Signed by the division manager)

If the manager needed further facts or some particular information, the coordinator, as staff consultant, would take on the assignment. If he could not do the job alone, he would call on other members of the follow-through team for help.

The follow-through team, composed of five persons with varied backgrounds and different skills, was able to come up with constructive help in almost all instances. Surprisingly enough, members of the team

found they needed to spend only 10% to 20% of their time working in the departments as individual coordinators; thus, they had ample time for fact-finding work and for other team responsibilities on division-wide problems. As had originally been envisioned in the plan, the actual job of removing the roadblocks was being done within and by the line organization. Practically every manager in every department became involved at one time or another.

Example of Follow-Through on an Inventory Problem

CPF-3132A FOLLOW-THROUGH PLAN PROJECT REPORT		<input type="checkbox"/> INTERIM	<input checked="" type="checkbox"/> FINAL	NO. 0232B	DATE 1-26-59
DIVISION	DEPT.	ACTION CATEGORY		APPROVED BY	

ADBLOCK, PROBLEM, IDEA

Shipping plugs for the rewinders should be carried in the storeroom instead of the pulley shed. It is suggested that the old locker room on the second floor could be used for the storage of such supplies for the embossers and rewinders.

NDINGS

The storeroom keeps shipping plugs for use by the rewinders at the pulley shed because there is no longer room for them at the storeroom. This makes it difficult to get plugs during the night shifts when the pulley shed is closed. These plugs are issued in package lots, which means the rewinders accumulate broken lots of the nine different types and sizes. There is no specific storage area for these excess plugs, and additional plugs are often ordered rather than hunt for the wanted type and size in the many possible locations around the operating department. This, of course, adds to the housekeeping problem. Inventory control is also a problem, for in many instances the supply of a type and size has been reported as exhausted when actually it was on hand but lost among the partial packages.

AN OF ACTION - ACTION TAKEN

Following the suggestion, it is agreed that space in the old locker room on the second floor will be taken for storage of a working supply of plugs. The types and sizes will be kept separate in containers such as used fiber drums. When any size runs low, the rewinders will order through the storeroom which will deliver the plugs to the rewinder floor for storing by the rewinders.

Audit of Action 8/3/59

The storage of plugs in the old locker room has been a vast improvement over the old method of leaving the plugs scattered around all the rewinders. Proper inventory may now be kept, there is less waste of the plugs, and there is a marked improvement in housekeeping.

TO BE FOLLOWED UP BY _____ ON _____ DATE _____

DECEMBER, 1959

As problem situations were corrected or improved, everyone was informed. Regular articles in *Chips* reported the changes that had been made. Also, there were oral feedbacks down the line. Bulletin board notices encouraged the employees to ask questions about particular suggestions they had made. The accompanying box shows one of the bulletin board notices used by this division.

The division follow-through team completed its work in March, 1959 and was disbanded almost five months ahead of schedule. The table on this page shows the box score on Operation Follow-Through for the entire company at the end of twelve months.

Summing Up

Champion speaks of both immediate and long-term gains from its Operation Follow-Through. If it seems that too sharp a line is being drawn here between the two, it is only for purposes of presentation that this is being done. It is recognized that many of the gains represent both immediate and long-term advantages for the company.

Some things happened even before the follow-through teams were formed. Ten thousand Champion employees and managers had been asked how they thought about their jobs and about conditions at the company. Management believes that the very act of consulting increased job interest and company morale right up and down the line. And, of course, hundreds of valuable ideas were contributed.

There were immediate gains as these ideas were put into effect, as improvements were made, as roadblocks were removed, and as problems of all kinds were solved. Many of the situations which were corrected had not been known to management. In other instances, the follow-up program had a triggering effect, making remedial action relatively easy. Interest was high. There was plenty of drive and determination to get things done.

It is still early, of course, to claim long-term gains. Champion, however, is convinced that several already

This Division's Follow-Through Team

... is now assisting your department superintendent and his supervisors in developing satisfactory solutions to the problems that you submitted at the opinion survey meetings and that supervisors submitted at the Chapaco council roadblock meetings.

As solutions are developed they will be supplied to individual supervisors by your department superintendent. Should you desire information about a particular opinion survey comment or Chapaco council roadblock, see your superintendent.

can be identified. One is a revitalized suggestion system. Operation Follow-Through demonstrated to the most skeptical employee that management wanted new ideas and would do something about them. The company's suggestion system now is thought of as an instrument well conceived to perpetuate present gains and to safeguard the forward look at Champion.

From the follow-through experience, Champion learned several important lessons in communication. It learned to use existing media better and it learned how valuable new media could be. It learned that good communication never could be taken for granted but rather that it can only be achieved by diligent, creative effort on the part of all involved.

Operation Follow-Through Statistical Summary for Period Aug. 11, '58 to Aug. 14, '59

Unit	Number to Be Reviewed	Number Reviewed to Date ¹	Action Completed or in Process ²	Studies Under Way ³	Dropped or Deferred ⁴
Manufacturing divisions..	6,122	6,093	4,993	642	458
Research	164	164	145	12	7
Sales	95	95	58	29	8
General personnel					
administration	96	92	69	17	6
Finance	21	21	20	..	1
Management planning	130	130	65	57	8
Timber products	6	6	6
Admin. & secretary	5	5	3	1	1
Other	4	4	4
Total	6,643	6,610	5,363	758	489
Per cent of problem situations	100%	99%	81%	12%	6%

¹ Includes all items on which initial discussions have been held between the line supervisor and the follow-through team.

² Includes all items on which action has been completed by line supervisors or items on which final plans have been developed.

³ Includes items on which fact finding is being conducted preliminary to preparing action plans and items which have been referred to general office for completion of action.

⁴ Includes items which, because of indefiniteness or lack of feasibility, are found not to offer a basis for further study or action or items which have been deferred for study at a later date.

Most important of all is the recognition by Champion managers that follow-through is a permanent process which must never stop. This lesson was summed up by Champion's president in a letter to all managers in the following terms:

"Operation Follow-Through is not just limited to solving the many problems uncovered in the opinion survey and the Chapaco meetings. It is a way of working together in identifying and solving problems that should be a part of the continuing responsibility of every one of us in management. Follow-through demonstrates to all of us the effectiveness of getting our problems out on the table as soon as they arise, and developing solutions by working with our folks. So, Operation Follow-Through is not a project, but a process that should continue to strengthen our organization, our lines of communication and our performance."

STEPHEN HABBE
Division of Personnel Administration

AFL-CIO Plans New Machinery for Jurisdictional Disputes

FINDING HIMSELF the innocent party between two unions battling to represent his employees is one of the most difficult problems that may confront an employer. To unions, also, the problem of jurisdictional disputes has been troublesome. Reports from the recent AFL-CIO convention in San Francisco clearly show that such disputes continue to be one of the largest thorns in the side of the merged labor movement. In a radical move the federation has announced plans to set up new machinery designed exclusively for the permanent settlement of internal disputes through a process culminating in arbitration.

The problem itself in part flows from the existence prior to 1955 of two organizations containing unions with competing or identical jurisdictions. At the time of the merger the federations were faced with "two paths." President George Meany told the convention delegates that they could either "eliminate all of the possible areas of dispute between the various organizations by negotiation and agreement" before the organizations would merge, or they could "merge the organizations . . . and then set to work to settle the disputes."

Since the first method was too time consuming, the federations decided to merge the competing organizations and guarantee each union its original jurisdiction regardless of the degree of overlap. The new organization would then attempt through various methods to minimize jurisdictional friction.

THE NO-RAIDING AGREEMENT

Long before the merger convention in December, 1955, the two bodies had worked out a procedure which they hoped would greatly reduce the number of jurisdictional disputes. A multistep no-raiding agreement, binding all AFL and CIO unions that signed it, went into effect in June, 1954.

The agreement listed the following situations in which the settlement procedure would operate: (1) where one union is the collective bargaining agent and another union attempts to organize these same workers; (2) where a union seeks "to disrupt the established bargaining relationship" of another union; and (3) where a union embarks on any "concerted activity in support of an attempt to organize or represent such employees by a union other than the

union which has the established [bargaining] relationship."

In addition, both the complaining union and the union complained against had to be signatories to the no-raiding agreement in order for the complaining union to obtain redress by utilizing the following steps:

1. The complaining union must first notify the union complained against and the federation secretary-treasurer.
2. Fifteen days after notification, the representatives of the two unions meet to attempt to settle the dispute.
3. At least five days later, either union or the secretary-treasurer of the federation may submit the dispute to the "impartial umpire."
4. The complaining party may withdraw his complaint at any time before the umpire's decision is given.
5. The umpire shall make a "final and binding" decision but shall "have jurisdiction only to determine whether the acts complained of constitute a violation of this agreement."
6. Where the offending signatory has been held in violation of the agreement, it must on request of the complaining union withdraw any petition for representation before the National Labor Relations Board or any other state or federal agency and also withdraw any claims that may have been submitted to the employer.

As has already been stated, one of the drawbacks of this procedure is that the umpire's decision is only binding when both the complaining and defending unions are signatories to the pact. So where a signatory to the pact is raided by a union which has not signed, the signatory cannot invoke this machinery. Even today, five years after the pact's promulgation, out of a total of 135 national and international unions, only 104 are signatories to this agreement.

No-Raiding Agreement Before Courts and NLRB

The provisions of the no-raiding agreement have been enforced by the courts,¹ and the NLRB has

¹ *United Textile Workers v. Textile Workers Union*, 1958, Seventh Circuit Court of Appeals, 42 LRRM 2605.

been ordered to withdraw a union's petition for representation where that union had a decision rendered against it by the umpire acting under the provisions of the no-raiding agreement. Just last August, however, the National Labor Relations Board refused to let the Metal Polishers International Union withdraw a representation petition, even though the impartial umpire ruled that the Metal Polishers had violated the agreement. The NLRB based its decision on the election results in which not one worker voted for the Doll Workers, the recognized bargaining agent, while fifty-three voted for the Metal Polishers and thirteen voted for no union.

The board stated that to allow the Doll Workers to be the bargaining agent would be forcing upon employees a bargaining agent which they do not want. Another ground for the NLRB decision was that the withdrawal of the petition was not voluntary but dictated by the AFL-CIO under threat of expulsion from the federation. If this case is appealed, the courts may have to decide whether to uphold the no-raiding agreement or reaffirm the board's theory of employee choice.

CONSTITUTION PROVIDES ADDITIONAL MACHINERY

Ever since the no-raiding compact was drafted the AFL-CIO has been trying to extend its jurisdictional dispute machinery to bind all unions affiliated with the federation. The first step was to write into the new ~~constitution~~ of the merged organization a procedure to implement the no-raiding agreement.

Hence, the constitution contains Article XVIII, which "preserves" the no-raiding agreement, and a statement in Article III, Section 4, emphasizing that "no affiliate shall raid the established collective bargaining relationship of any other affiliate." Furthermore, Section 4 states that, when "a complaint has been filed with the president by an affiliate alleging a violation of this section by another affiliate that has not been settled under the provisions of the no-raiding agreement," the president shall consult officers of both unions and seek to bring them to agreement. If he fails to accomplish this he will report to the executive council "with such recommendations as he may deem appropriate." The executive council shall hold a further hearing of the two parties and then "make such decision as it believes necessary and proper to carry out the provisions of this section." If the affiliate still fails to comply, then the matter is taken up by the convention "for such action as . . . [is] appropriate."

Thus the machinery attempted to bind nonsignatories of the no-raiding agreement to some method of settling jurisdictional disputes. However, it did not hold all affiliates to the same method nor did it state that a decision of the executive council is final

and binding, while the decisions made by the "impartial umpire" did have that authority.

In Article III, Section 3, an alternate method of solving jurisdictional disputes was set up, by which, in the event of "conflicting and duplicating jurisdictions," the president and the executive council would attempt to eliminate such disputes by "voluntary merger between the affiliates involved."

Some progress has been made along this line, with mergers being announced at both the 1957 and 1959 conventions. At the 1957 convention, four mergers involving eight unions were reported. The largest combined the 50,000-member CIO Paperworkers of America with the 72,000-member Brotherhood of Paper Makers. At the 1959 convention, three additional mergers involving six unions were announced.

However, even this method has not been entirely successful. For example, in the late summer the 180,000-member Oil, Chemical, and Atomic Workers and the 84,000-member International Chemical Workers Union postponed indefinitely their merger which was to take place in October of this year.

Implementation of Constitutional Machinery

In order to implement the no-raiding sections of the constitution and to provide for handling the jurisdictional disputes of all affiliates of the AFL-CIO, the executive council on February 6, 1959 approved the following resolution:

1. The no-raiding principle in the 1955 constitution is a "principle applicable to all AFL-CIO affiliates."

2. "All disputes concerning charges of violation of the no-raiding principle expressed in . . . the AFL-CIO constitution shall be processed under the provisions and procedures of the no-raiding agreement." The "impartial umpire" will hand down "decisions," in cases involving signatories but he will merely issue "recommendations" in cases involving nonsignatories.

3. When an affiliate complains to the federation that the decision or recommendation has not been obeyed, the president shall endeavor to secure compliance by meeting with the parties. If disagreement continues even at this stage, then the president makes a report to the executive council, which also conducts a hearing and "makes such decision as is necessary to insure compliance."

This procedure has resulted in some degree of success. In a report presented to the executive council in August, 1959, it is stated that between March, 1958 and July, 1959 one hundred cases were processed under Article III, Section 4, of the AFL-CIO constitution. Of these, fifty cases were settled by mutual agreement between the parties. The "impartial umpire" has rendered twenty-two recommendations and

is in the process of hearing fourteen cases. Seven cases are still in the preliminary stages.

In addition, seven other cases have been marked closed because one of the unions involved, the 32,000-member Amalgamated Lithographers of America, has disaffiliated. This union had refused to comply with the "recommendations made by Impartial Umpire David L. Cole involving raiding activities against affiliates." The disaffiliation, which took place at the August, 1958 meeting of the executive council, was voluntary. A previous convention and referendum vote of the members had given the union's executive board the power to decide whether to remain in the federation.

NEW PROCEDURES SET UP

Yet despite some progress the procedures for settling jurisdictional disputes still lacked uniformity. Those unions that had not signed the original no-raiding agreement could not be forced to comply. In their case, the "impartial umpire" could only issue recommendations—not binding decisions.

Therefore, this September, in the midst of convention discussion of several resolutions by unions condemning one another for raiding, President George Meany announced that the executive council, at its August, 1959 meeting, had set up a special committee to study the no-raiding clause in the constitution and remedy the lack of uniformity. This special committee was chaired by A. J. Hayes of the International Association of Machinists and was composed of Walter Reuther, president of the Auto Workers; Joseph Keenan, secretary of the International Brotherhood of Electrical Workers; Joseph A. Beirne, president of the Communications Workers; and William F. Schnitzler, secretary-treasurer of the federation. It is interesting to note that two of these men, Mr. Schnitzler and Mr. Reuther, also worked on the original no-raiding agreement.

This committee drafted a two-part resolution that included a proposal which the committee chairman considered to be the only practical way to settle jurisdictional issues.

1. The special committee of the executive council is directed to develop a procedure for "the settlement of disputes between affiliates . . . embodying final and binding arbitration as the terminal point. . . . Such arbitration shall be limited to the settlement of [internal] disputes only. . . ."

2. The executive council is authorized, after approving this plan, "to call a special convention and to submit the plan, together with such constitutional amendments as may be necessary to make it effective . . . for such action as the special convention, by appropriate vote pursuant to constitutional provisions, may determine."

President Meany and the special committee had difficulty persuading the delegates on two features of the plan: arbitration as a terminal point binding on all affiliates and the statement that the arbitration would be limited to jurisdictional disputes and would not "determine the work or trade jurisdiction of affiliates." Speaking of the arbitration provision, Mr. Meany remarked that it would probably be handled by "an arbitration board, consisting of prominent and well-qualified persons." This is in contrast to the way the no-raiding agreement presently functions with the single impartial umpire, David Cole.

Great emphasis is placed on the preservation of the union's jurisdiction by Committee Chairman Hayes:

"We made it very clear—and every member of the committee agrees—that this procedure cannot be used for determining, extending or narrowing the jurisdiction of any affiliated union; but [the procedure] was the only practical and realistic way of solving some of the very, very grave problems that have arisen . . . in the field of raiding and in the other controversial fields that are referred to in our report."

OPPOSITION TO THE PLAN

Opposing the plan on both the arbitration and jurisdictional grounds was Delegate Lewis Herrmann of the International Typographical Union who stated that his union has "traditionally been against arbitration. We feel," he continued, "that our union, unless it can gain its objectives through the economic strength of our membership, is certainly not going to get very far by submitting our questions to arbitration by some people who know very little about the fine art of printing."

Even more strongly, he concluded: "The International Typographical Union will exercise full and complete autonomy in all phases of its relationship to the AFL-CIO or any other labor organization." Of course Delegate Herrmann was speaking for a craft union which is over a century old and the first to occupy the jurisdiction in this field and therefore regards arbitration as a limitation to its prior plenary jurisdiction.

President Meany, calling to mind opposition to machinery for compelling settlement of jurisdictional disputes by this same union at past conventions, answered: "In order that there be no other speakers that might come to the mike with a misunderstanding, I might point out again that this resolution gives no one the right to determine jurisdiction. . . . However, I also know the predictions that were made by Brother Randolph [past ITU delegate] that a small group of men were going to sit down in a room and cut up the jurisdiction of the smaller unions to their own hearts' content. That prediction," he concluded, "has not come true and it is not going to come true on the basis of anything that is before you today."

Further opposition to the proposal was in evidence at the more recent AFL-CIO Industrial Union Department convention. It was proposed that, until the new machinery is provided, the unions in the Industrial Union Department seek the solution of disputes through "existing machinery." Instant opposition to this proposal came from the Plumbers Union, the International Brotherhood of Electrical Workers, the Upholsterers and others.

Historically, the Industrial Union Department and the Building and Construction Trades Department have had disputes over who shall do certain work. A committee was set up in 1955 to try to iron out these difficulties.

In June, 1957 the committee agreed that "there are two areas in which the jurisdictional lines between the building trades craft unions and the industrial unions are clear. New building construction, on the one hand, should be the work of the workers represented by the building trades craft unions; production and running maintenance work, on the other hand, should be the work of the workers represented by industrial unions. Between the two clear areas set forth above there is a doubtful area involving such work as alterations, major repairs and relocation of existing facilities."

A committee of six representatives, three from each department, was formed "to adjust disputes between

the craft organizations and the industrial organizations" and to encourage "on-the-spot agreements." Recently, a number of these "on-the-spot" agreements have been executed.¹

The entire problem of providing a uniform method of handling jurisdictional disputes for all affiliates is now in the hands of the special committee. The importance of the problem and the committee's task is indicated in the second part of the resolution, which directs the executive council, upon approving the plan, to call a special convention in order to incorporate it into the constitution.

To amend the constitution, a two-thirds vote of those present and voting is required. The question is whether the new plan will muster enough votes to pass. And if it is approved, will the thirty-one unions who have not signed the no-raiding agreement disaffiliate, as the Lithographers Union already has, or will they agree to the arbitration of their disputes? If the plan is not adopted, the labor movement might be as far from a solution to this perplexing problem as it was six years ago.

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Division of Personnel Administration

¹ For a description of such an "on-the-spot" agreement, see "Steelworkers Settle Jurisdictional Disputes," *Management Record*, October, 1959, p. 344.

Management Bookshelf

What the Businessman Should Know About the Taft-Hartley Act—This pamphlet, written by the associate general counsel of the National Labor Relations Board, presents the provisions of the Taft-Hartley Act as they affect the average businessman. The format is that of a playlet, with the businessman and his lawyer facing unions for the first time. The pamphlet traces the employer's actions in terms of conforming to the Taft-Hartley Act—first during the union organization and election, then during the contract negotiations. It concludes with an analysis of the act's provisions covering unfair labor practices and secondary boycotts. *By Thomas J. McDermott, Public Affairs Press, Washington, D. C., 1959, 34 pp., \$1.*

Addresses on Industrial Relations (1959 Series)—Addresses delivered at the annual conferences of business executives, held in four Michigan industrial centers, are again made available this year by the University of Michigan, under the sponsorship of the university's bureau of industrial relations. The 1959 topics (chosen in advance by the audiences) deal with the promotion of management teamwork, the development of managers, engineers and scientists, the program one company uses to obtain a full day's work for a full day's pay, the trends in employee benefit programs, and the problems of union-management

relations. Questions and answers are reproduced at the end of the reprint of each address. *Bulletin No. 27, University of Michigan, Ann Arbor, Michigan, 290 pp., \$4.50.*

Maritime Labor Relations on the Great Lakes—In this monograph, union-management relations in the shipping industry on the Great Lakes are viewed as being in a period of transition. The author describes the Employers' Lake Carriers Association's long successful battle against unionization. A partial explanation for this success, he feels, can be traced to the competition and disorganization among the separate unions in their organization campaigns. But he believes that the enlarging of the St. Lawrence Seaway may help to effect the complete unionization of the Great Lakes shipping industry. *By Charles P. Larroche, Michigan State University, East Lansing, Michigan, 1959, 108 pp., no price given.*

Present Position of Government in Occupational Health—This reprint from the *Journal of Occupational Medicine* explains the occupational health activities of federal agencies, state agencies, and the local government. Also covered is the American Conference of Governmental Industrial Hygienists. *By Seward E. Miller, M.D., Occupational Health Institute, Inc., Chicago, Illinois, 6 pp., single copies free.*

Ideas for Inplant Food Services

Ten experts in this field suggest various ways and means to make company cafeteria service more attractive as well as more efficient for employees

HOW'S your cafeteria know-how? Are you getting as many company lunchroom customers as you should?

Have you ever tried to make your potential customers cafeteria minded by sponsoring a recipe contest and then serving the winner's product in the cafeteria? Do you avoid a "too efficient" and uninviting atmosphere in the cafeteria by injecting new ideas in the physical layout and decorative scheme?

Do you ever offer a meal "on the house" by instituting some surprise element (such as a predetermined numeral on the cash register) that will cancel the customer's check?

These ideas are among the one hundred suggestions that have been offered by a group of experts on in-plant cafeterias and other institutional food services. Included on the following pages are some selected ideas presented by the group, together with the identification of the person suggesting the idea.¹

SPECIAL EVENTS TIE-INS

Safety Program

- Display large safety slogan pennants suspended from ceiling.
- Display small safety slogan pennants secured to toothpick and inserted in food items across the cafeteria serving counters.
- Provide space for periodic safety committee meetings during nonserving hours.
- Show safety movies in the cafeteria.

Special Events

- Cooperate with the various committees in presenting their programs to plant employees during the regular lunch periods in the cafeteria.
- Provide space for meetings of these committees.
- Encourage the use of cafeteria facilities for off-hour meetings of groups such as the radio, chess, and bridge clubs.
- Participate in the Junior Achievement program by allowing the students to display and sell their project to the plant employees during the regular lunch periods.
- Cooperate with management to display their

manufactured products in the cafeteria (if feasible).

- Assist with drives such as United States Government Savings Bonds, blood bank, and united appeals.

*J. R. Butler
Radio Corporation of America*

PUBLIC RELATIONS IDEAS

- Ask the company president to award a commendation to a few of your food service employees. You can always find someone who has never missed a meal, has never been late, or has been with the company ten years, etc.
- Make a point of offering the use of the dining room for classes, sales conferences, etc. Write a memo to this effect and circulate it. Demonstrate that the cafeteria is ready to cooperate with any other company department.
- Hold a contest—any kind of contest. Put up a bulletin board and sponsor a photographic contest with winning pictures on display each week. Give a free meal (or week's free meals) to winners.
- Send personal invitations to top management to visit the cafeteria on a specific day to see how things are going. Take them on a personal guided tour.
- Hold a press party. The best way to get a favorable press in the company newspaper or magazine is to feed the staff and show the personnel on a guided tour. Explain how the cafeteria operates and *why*.
- Put up a bulletin board along the cafeteria waiting line. Display food pictures, company signs, company publications, etc.
- Hold a company-wide recipe contest. Serve the winning dish in the cafeteria.
- Sponsor a safety contest in the kitchen and have the company publication run pictures of the winners.
- Call in the local newspapers and show them how the food service program is run and how well your company treats its employees. Your patrons are local people so their names make big news. (Always check with your public relations department on this kind of thing.)

¹ The exchange of ideas took place at a two-day workshop sponsored by the magazine *Inplant Food Management* at the National Hotel Exposition in the Coliseum in New York.

- Make the cafeteria the center of as much activity as possible. Whether it is a special victory feast for the bowling team or a few pieces of crepe paper at holidays, do something—it's good public relations.

*J. E. Betts, Jr.
Inplant Food Management*

IDEAS FOR CONTROL

- Use a telephone recorded message for listing menus. This saves time usually spent changing bulletin boards and posting notices. Recorded message units are available from local telephone company for about \$10 per month. Simply tape record the menu each meal and the machine plays it when a special number is called. Try using the code word *food* or *lunch* for your telephone number.
- Personal laundry insures that each food service employee has his own personal linen and it adds a note of individuality. Have names stitched on uniforms for identification.
- Self-service bussing can be promoted as an aid to speedier food service, not as a labor saver.
- Serve individual fruit juices each day. This will up checks as well as provide a valuable part of diet requirements.
- One-ounce souffle cups make easier portion control of condiments, sauces, dressings, etc.
- Self-service brick ice cream display will increase sales and make the portion easier to handle both behind the line and by the customers.

*Richard M. Allen
Lederle Laboratories Division
American Cyanamid Company*

DECORATING IDEAS

- Through the use of planters and screen dividers, break up open areas into units of not more than fifty seats.
- Strive for less efficient-looking atmosphere.
- Use synthetics to create illusion of expensive techniques, such as a product that gives a stained-glass effect, plaster grilles for dividers, etc.
- Use chandeliers for variety of effects: homey or efficient—traditional or contemporary. Put lights on dimmers for mood effect. Use color wheel on dessert section.
- Devote an area to rotating arts and crafts exhibits.
- Use hanging planters in front of windows or to divide sections of the room. Hang seven feet above the floor. Build Lazy Susans on the table tops.
- Give the dining room a name; select pictures or paintings to reflect the title. Paint the dining room the same background color as the picture

to give the room a distinct personality, to be more than "just a cafeteria."

*Ken White
Ken White Associates, Inc.*

USING PAPER GOODS

- If you have to expand conventional service, you can serve additional people without overburdening dishwashing facilities or labor by serving salads and desserts on paper containers. Where there is a third or late shift, use all-paper service to avoid opening up dish-room facilities and hiring people for a small amount of work.
- In locations with table service, waitresses' time is saved by providing a stack of paper cups on the table, inverted over a napkin or doily. The waitress then needs only to pour the water. It may be especially appropriate to use cups in this way where the health department requires separate washing facilities for dishes and glassware.
- A doily used as a centerpiece on each table to keep salt, pepper, sugar, mustard, ketchup, etc. together acts as a sort of focal point to which customers almost invariably return the condiment. This keeps the table neat—saves cafeteria employees' time in rearranging the items.
- For fast service with accurate portioning, scoop ice cream ahead of time into paper dessert dishes on trays and store the trays in the freezer until needed. Then offer small paper containers of chocolate and other sauces for do-it-yourself sundaes which won't hold up the serving line.
- You can apply this economical make-your-own idea to other things besides sundae ingredients. Use a one-ounce pleated paper portion cup for grated cheese, for instance, to accompany a spaghetti dish. Some people won't want any. There's no waste and no delay while the customer asks the counter girl to "put a little more on." The same idea can be expanded to salad dressings and many sauces and condiments.

*Ned Greene
Farley Manning Associates*

LABOR METHODS IDEAS

- Employ part-time personnel on a one-day-a-week basis for the regular thorough cleaning of areas and equipment that may only get superficial daily attention.
- Employ personnel on a daily part-time basis for the implementation of service at the noon rush.
- Arrange with management for people outside the food-service department to help in counter service during peak rush periods.
- Encourage self-service of coffee by the patrons during slow periods to free coffee-service personnel for cashiering and other duties.

- Buy adequate stock of dishwear to run the entire meal period, and provide sufficient space in dish room for bussing of the entire period so the dish crew can be free to act as bus boys, countermen, etc. during the rush.
- Move cash register behind the counter during slow periods and if possible during the rush hours to allow cashier to engage in preparation and service activities.
- Use free counter employees on the floor to bus dishes whenever possible.
- Upgrade quality of employee skills by training low-skilled employees to do higher-skilled work. Bussing personnel can be trained to make sandwiches. Counter employees can be trained to take cash. This allows easier replacement of help on absenteeism.

*Balfour Golden
Golden Food Services Corporation*

CONVENIENCE FOODS AND MERCHANDISING

- Set up test program to get full benefits from convenience foods. Bring chef or kitchen supervisor into testing to gain his support.
- Compare all costs of old with new convenience foods under your usual operating procedure.
- Let manufacturer's salesmen show their new convenience food products and make them prove their claim with demonstrations.
- Merchandise your food properly because there is no captive audience in inplant feeding.
- Stage merchandising events with good service to give excitement to food. Try new recipe themes —have festive items for holidays to make it "fun" to eat.
- Open your doors to companies interested in testing new promotions. Manufacturer's recipe promotions are usually well thought out and embody high profit, low labor cost, and portion control.
- Take advantage of national merchandising programs and use material offered by food companies. These promotions are designed to work in your interests as well as the manufacturer's.

*David Hopwood
General Foods Corporation*

IDEAS AT RANDOM

- We have installed a sixty-gallon soup stock pot directly in front of our refrigerator. This kettle is altered to have a cold water line attached to a shell around the kettle and an outlet for the overflow. When the steam line is closed off and the cold water valve is opened, the stock is cooled right in the kettle in a short time. The stock can be moved into the refrigerator as soon as it is removed from the kettle.
- A 150-megacycle signaling receiver can be converted for voice. With this small instrument in the

pocket of your supervisors, you can talk to them within an area of approximately 200 feet. (A good pocket microphone and receiver today would be expensive.)

- We are fortunate to have an abundance of flowers growing on the grounds of our plant at Murray Hill, New Jersey. Several times during the summer, I have small bouquets made up (about six or eight flowers to each bunch). These are given out at the cashiers' stands. The idea creates a bit of good will, provides a conversation piece, and puts a colorful token on every girl's desk for the remainder of the day.

Most companies do not have the space or labor to raise flowers, but at times during the summer one can purchase flowers very cheaply. A few dollars spent like this pays off in creating a friendly feeling toward the restaurant management.

- We serve from 400 to 500 breakfast customers. For variety and customer surprise, we occasionally instruct the cashiers to give a free meal when the tape on the cash register shows the numerals "100," "200" or "300." Regardless of what the tray contains, the food is free.

• Cutting a nine-inch pie in eight equal pieces can be a problem. A simple method is to place dots or notches on the underside of the rim of the pie tin. The notches, which are not visible on the top side, are $3/16$ of an inch and are placed $3\frac{3}{4}$ inches apart. They give the counter girl a guide for cutting and also save her time. Since all pieces are alike, the customer doesn't delay the line trying to find the largest pieces.

- About once each year, I build up a week-long mystery. For example, I might select about three girls who are similar in height, weight, and complexion, and who have the same general hobbies. Then I put on our largest menu board the question: "Who am I? I am between five and six feet tall, and I have blue eyes." On the second day, I add something like "dark brown hair." On the third day I may add, "I have breakfast here daily." By the end of the week, everyone is guessing.

The reason for selecting three girls is to make certain I can get permission from one (on the fourth day) for the use of her name. If the first one I ask does not want the resultant publicity, one of the remaining two is always happy to agree. All employees are invited to offer a selection of the person who fits the description. The prize is a steak or lobster dinner.

- In our enlarged cafeteria, we have centralized the coffee-making facilities by piping the coffee to five stations where patrons can serve themselves.

A battery consisting of one thirty-gallon urn, one fifty-gallon urn, and a water boiler of 135 gallons is located on the floor above the cafeteria. The urns are connected to the five scattered stations by glass tubing and teflon gaskets. The entire length runs 167 feet and is wrapped with a therm wire (electric heat-

ing cable) which keeps the coffee at 184° at the spigots.

The glass tubing is made in eight-foot lengths so the sections can be removed easily for inspection and replacement. The normal method of cleaning the line is to flush it—before and after breakfast and after luncheon—with an urn-cleaner solution and then with clear water. This cleansing is done with the spigots open, and the operator can perform other work duties while the line cleaning is in progress.

The water for tea is gravity fed the same as the coffee, with a spigot placed eighteen inches away from the coffee line. (Between the two is a cream dispenser and under both lines, naturally, a drain.)

*F. E. Dorlon
Bell Telephone Laboratories*

MANAGEMENT TECHNIQUE

- Understand the relation of the management process to your food-service operation.
- Define principal functions and jobs.
- Know your company's objectives and business problems.
- Communicate—keep employees informed and develop an atmosphere which permits them to contribute ideas and criticisms.
- Wherever possible, relate proposed improvements in equipment, management techniques, employee benefits, etc. to the maintenance or improvement of the profitability of the operation.
- Periodically review the methods and costs of the operation, particularly in times of "comfortable" profit making, to eliminate unnecessary costs.

*Harvey T. Stephens
Slater Food Service Management*

IDEAS FOR THE FRY KETTLE

- French fries gain a new dimension and can offer a wide variety to the menu if you season each individual serving to complement the main dish. For example, sprinkle the fries with garlic or onion salt when served with old-fashioned hamburgers. Or use celery salt for garden-fresh taste when serving omelets. Or salt and season with chili powder to bring out the hearty flavor of barbecued meats. Try curry powder to make an unusual side order for eggs, fish, or a specialty hamburger garnished with chutney.
- To have "baked" potatoes in twenty minutes, wash the potatoes thoroughly and let them dry. Pierce each end with a fork, then fry at 350° for twenty to twenty-five minutes, depending upon the size of the potato.
- For potato puffs, use left-over, newly mashed, or instant-mashed potatoes. Mix four pounds with three eggs, and form into small balls. Roll them

in crushed corn flakes, and place in deep fryer for a minute and a half.

- Start off your fry kettle with a top-grade shortening—one with a high smoke point. Add 20% of your kettle's capacity each day. Strain the fat regularly. Keep the kettle clean. Follow those simple rules of quality control, and you need never throw your frying fat away!

*John L. Dugan
Wesson Oil & Snowdrift Sales Company*

Management Bookshelf

Frontiers of Industrial Relations—This is the first book published by the industrial relations section of the California Institute of Technology. It was undertaken, in recognition of the section's twentieth year, to emphasize developments in industrial relations during the past twenty years and to look into the challenges and opportunities of the future. Its twenty-six articles, written by authorities in the field, cover a variety of subjects that include collective bargaining, wage and salary administration, employee benefits, performance appraisals, training techniques, motivation, communications, management decision making, company policies, and retirement problems. Marginal space is provided on each page for notes. *Edited by Robert D. Gray, California Institute of Technology, Pasadena, California, 1959, 262 pp., \$15, including a second volume to be issued in summer of 1960.*

Personnel Management—Though the discussions in this book are focused upon the personnel department and its program, particular attention is given to the role that operating supervisors and executives can be expected to play within the program. The responsibilities of these individuals for performing the various personnel management functions are emphasized in order to point up the conviction of the authors that, while a personnel department must provide leadership for the personnel program, each executive and supervisor within an organization is, to some extent, a personnel manager in the broader sense. The personnel functions discussed include organization, the procurement and training of employees, the development of employee morale and efficiency, management-labor relations, security, compensation, and research and opportunities in the personnel management field. The authors touch on the current personnel practices of nearly 100 companies. *By Herbert J. Chruden and Arthur W. Sherman, Jr., South-Western Publishing Company, Cincinnati, Ohio, 1959, 670 pp., \$6.75.*

Heart Disease and Employment—This title covers five articles reprinted from the *Journal of Occupational Medicine*. The individual subjects are: "Fifteen Years of Cardiac Work Classification," "Severity of Myocardial Infarction in Garment Workers," "The Cardiac in Industry," "The Magnitude of the Heart Disease Problem," and "Heart Disease and Employment." *Occupational Health Institute, Inc., Chicago, Illinois, 20 pp., single copies free.*

Significant Labor Statistics

Item	Unit	1959							Year Ago	Percentage Change	
		Oct.	Sept.	Aug.	July	June	May	April		Latest Month over Previous Month	Latest Month over Year Ago
Consumer Price Indexes (BLS)											
All Items	1947-1949 = 100	125.5	125.2	124.8	124.9	124.5	124.0	123.9	123.7	+0.2	+1.5
Food	1947-1949 = 100	118.4	118.7	118.3	119.4	118.9	117.7	117.6	119.7	-0.3	-1.1
Housing	1947-1949 = 100	130.1	129.7	129.3	129.0	128.9	128.8	128.7	127.9	+0.3	+1.7
Apparel	1947-1949 = 100	109.4	109.0	108.0	107.5	107.3	107.3	107.0	107.3	+0.4	+2.0
Transportation	1947-1949 = 100	148.5	146.4	146.7	146.3	145.9	145.4	145.3	142.7	+1.4	+4.1
Medical Care	1947-1949 = 100	152.5	152.2	151.4	151.0	150.6	150.2	149.6	146.7	+0.2	+4.0
Personal Care	1947-1949 = 100	132.5	132.1	131.7	131.3	131.1	130.7	130.0	128.8	+0.3	+2.9
Reading and Recreation	1947-1949 = 100	119.7	119.6	119.1	119.1	118.1	117.8	117.7	116.6	+0.1	+2.7
Other Goods and Services	1947-1949 = 100	131.6	131.5	131.1	130.8	129.2	128.4	128.2	127.2	+0.1	+3.5
Employment Status (Census)											
Civilian labor force	thousands	70,103	69,577	70,667	71,338	71,324	69,405	68,639	69,111	+0.8	+1.4
Employed	thousands	66,831	66,347	67,241	67,594	67,342	66,016	65,012	65,306	+0.7	+2.3
Agriculture	thousands	6,124	6,242	6,357	6,825	7,231	6,408	5,848	6,404	-1.9	-4.4
Nonagricultural industries	thousands	60,707	60,105	60,884	60,769	60,111	59,608	59,163	58,902	+1.0	+3.1
Unemployed	thousands	3,272	3,230	3,426	3,744	3,982	3,389	3,627	3,805	+1.3	-14.0
Wage Earners (BLS)											
Employees in nonagr'l establishments	thousands	p 52,573	p 52,660	p 52,066	p 52,343	p 52,580	p 51,982	p 51,414	p 51,136	-0.2	+2.8
Manufacturing	thousands	p 16,168	p 16,375	p 16,169	p 16,410	p 16,455	p 16,187	p 16,029	p 15,536	-1.3	+4.1
Mining	thousands	p 612	p 618	p 639	p 710	p 713	p 701	p 692	p 708	-1.0	+13.6
Construction	thousands	p 2,950	p 3,042	p 3,107	p 3,035	p 2,986	p 2,884	p 2,656	p 2,887	-3.0	+2.2
Transportation and public utilities	thousands	p 3,903	p 3,922	p 3,922	p 3,949	p 3,944	p 3,914	p 3,881	p 3,897	-0.5	+0.2
Trade	thousands	p 11,573	p 11,469	p 11,360	p 11,324	p 11,352	p 11,254	p 11,181	p 11,225	+0.9	+3.1
Finance	thousands	p 2,445	p 2,457	p 2,474	p 2,475	p 2,442	p 2,413	p 2,404	p 2,380	-0.5	+2.7
Service	thousands	p 6,601	p 6,610	p 6,582	p 6,603	p 6,623	p 6,583	p 6,508	p 6,463	-0.1	+2.1
Government	thousands	p 8,321	p 8,167	p 7,813	p 7,837	p 8,065	p 8,116	p 8,113	p 8,040	+1.9	+3.5
Production and related workers in mfg. employment	thousands	p 12,191	p 12,387	p 12,173	p 12,433	p 12,524	p 12,299	p 12,167	p 11,721	-1.6	+4.0
All manufacturing	thousands	p 6,768	p 6,855	p 6,679	p 7,161	p 7,248	p 7,139	p 7,022	p 6,421	-1.3	+5.4
Durable	thousands	p 5,423	p 5,532	p 5,494	p 5,272	p 5,276	p 5,160	p 5,145	p 5,300	-2.0	+2.3
Average weekly hours	number	p 40.3	p 40.3	p 40.5	p 40.3	p 40.7	p 40.5	p 40.3	p 39.8	0	+1.3
All manufacturing	number	p 40.8	p 40.7	p 40.9	p 40.6	p 41.4	p 41.1	p 40.9	p 40.1	+0.2	+1.7
Durable	number	p 39.7	p 39.8	p 40.0	p 39.8	p 39.7	p 39.6	p 39.5	p 39.4	-0.3	+0.8
Average hourly earnings	dollars	p 2.21	p 2.22	p 2.19	p 2.23	p 2.24	p 2.23	p 2.23	p 2.14	-0.5	+3.3
All manufacturing	dollars	p 2.36	p 2.36	p 2.35	p 2.39	p 2.40	p 2.39	p 2.39	p 2.29	0	+3.1
Durable	dollars	p 2.02	p 2.03	p 2.00	p 2.01	p 2.00	p 2.00	p 2.00	p 1.95	-0.5	+3.6
Average weekly earnings	dollars	p 89.06	p 89.47	p 88.70	p 89.87	p 91.17	p 90.32	p 89.87	p 85.17	-0.5	+4.6
All manufacturing	dollars	p 96.29	p 96.05	p 96.12	p 97.03	p 99.36	p 98.23	p 97.75	p 91.83	+0.2	+4.9
Durable	dollars	p 80.19	p 80.79	p 80.00	p 80.00	p 79.40	p 79.20	p 79.00	p 76.83	-0.7	+4.4
Straight time hourly earnings (estimated)	dollars	p 2.14	p 2.14	p 2.12	p 2.16	p 2.17	p 2.16	p 2.16	p 2.09	0	+2.4
All manufacturing	dollars	p 2.28	p 2.28	p 2.27	p 2.31	p 2.31	p 2.30	p 2.31	p 2.23	0	+2.2
Durable	dollars	p 1.97	p 1.98	p 1.95	p 1.96	p 1.95	p 1.95	p 1.95	p 1.91	-0.5	+3.1
Turnover Rates in Manufacturing (BLS)											
Separations	per 100 employees	p 4.9	p 4.3	p 3.7	p 3.3	p 2.8	p 2.9	p 3.0	p 3.2	+14.0	+53.1
Quits	per 100 employees	p 1.4	p 2.2	p 1.8	p 1.3	p 1.3	p 1.3	p 1.1	p 1.1	-36.4	+27.3
Layoffs	per 100 employees	p 3.0	p 1.7	p 1.4	p 1.4	p 1.0	p 1.1	p 1.3	p 1.7	+100.0	+76.5
Accessions	per 100 employees	p 2.9	p 3.9	p 3.9	p 3.3	p 4.4	p 3.6	p 3.5	p 3.4	-25.7	-14.7

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Briefs on

PERSONNEL PRACTICES

Employment Prejudice Denounced by Company President

With the threat of foreign competition assuming alarming proportions, America can ill afford to fail to make full use of its manpower. But it continues to do so in its employment practices by condoning racial and religious prejudices, warns Walter H. Wheeler, Jr., president of Pitney-Bowes, Inc., of Stamford, Connecticut. The irony of the situation, he said at the recent annual "Equal Opportunity Day" luncheon in Washington, D. C., is both material and spiritual.

"When it comes to producing goods efficiently, we are the model of the world, and we send productivity teams to Europe and Asia in the hope that other friendly countries will follow our example. Yet, where 10% of our people is concerned, we still practice shocking inefficiency, condemning far too many of them to an artificially low income and a waste of valuable skills. This is, at the very least, a sad condition and one that affects the wealth and physical well-being of us all. But the material harm is nothing like the damage we do ourselves, and the cause of freedom we stand and fight for, by practicing and condoning racial prejudice.

"We should not delude ourselves about this. When we discriminate against any of our fellow men because of color, creed, religion or racial origin, we are doing wrong. The moral erosion that takes place when we do wrong, and know we are doing wrong, is a terrible and tragic thing. It wears away our strength and dulls our purpose, at a time in history when we need every bit of both we can muster."

Continental Breakfasts Accompany Health Examinations

Executives who must report for early morning physical examinations without breakfast are well taken care of at the Executive Health Examiners clinic in New York City. After the tests that require a fasting condition, the examinee is treated to a continental breakfast of fruit juice, Danish pastry, and a beverage. Even those who haven't had to observe a fast for their morning examinations are invited to participate in the clinic's morning coffee break.

Another innovation of this clinic is the substitution of the doctor's type of white blouse and pants for the

traditional hospital examination gown. Clinic personnel report that even the women examinees prefer this attire to the gown, especially when there is a need to pass through halls from one examination room to another.

Subsidized Vacations

Vacation time offers an opportunity for a relaxing change of pace. For most employees, this means getting off to a remote spot for a quiet rest. But the June, 1959 issue of *Personnel Practice Bulletin*, a quarterly published by the Australian Department of Labour, tells of some 6,000 employees who prefer to spend their "holidays" (the Australian word for vacation) seeking excitement. And that's not all. Their employers foot the bill for part of the expense incurred.

These employees work for two mining companies in Broken Hill, a low-rainfall (about nine inches a year) community in the far west of New South Wales, which Herbert Hoover described, back in 1905, as "one of the dreariest places in the world." Since then, the mining companies have done much to improve living conditions there. But they can still understand the desire of the employees, when vacation time arrives, to get off to a busy watering place where they can mingle with different people and swim in the open sea. And out of this understanding has come the practice of subsidized holidays.

The nearest seaside resort to Broken Hill is on the outskirts of Adelaide, capital of the State of South Australia and a long 320 miles away. Spending a vacation there could be too expensive a venture for most miners, particularly those with families. So the companies decided to give assistance. This they did by purchasing and furnishing a twenty-nine-acre camp site, lying about nine miles outside Adelaide, with good suburban shopping centers handy, within easy reach of the city by bus or train, and within walking distance of the beach.

The Yuletide (when the mines close down) is vacation time at Broken Hill; and the decision as to who goes to the camp over the Christmas-New Year period is left to an employees' committee. This committee distributes applications among the miners, and if there are more applicants than there are openings, the men with the greater family responsibilities are given pref-

erence. The bus fare from Broken Hill to the camp is £3,¹ but the companies pay one-third of this fare for adults, two-thirds of it for children five years or over, and all of it for children under five.

At the camp, tent rentals and meals are supplied at reduced prices, with the companies making up the differences. Thanks to these subsidies, a family of two adults, two children, and one infant can enjoy a twenty-three-day vacation that includes lodging, all meals, and transportation back and forth for just about \$165. The arrangement seems to have particular appeal for the wives of employees who are freed from the monotony of preparing meals, washing dishes, and performing the other chores of daily housekeeping.

The camp is maintained by the companies on a year-round basis. In addition to the Yuletide vacation season, it is open to employees for long week-end holidays. The rest of the year, it is made available to retired employees, university groups, and people made homeless by floods or other catastrophes.

Exit, Smiling

A happy note was added to the departure of an engineer who resigned from a large company recently. At a farewell party, given him by the engineering department, he was formally presented with an attractive certificate that awarded him credit for courses in:

- Stint analysis
- Archaic processing
- Quantitative and qualitative frustration
- Analytic disorganization
- Framework mechanics
- Grapevine circuits and networks
- Fluid organizations
- Applied fallacies
- Strength of circumlocution
- Coordination thermodynamics.

Supervisors Write for Company Paper

To maintain enthusiasm for better plant housekeeping among employees of The Canada Starch Company Limited, company supervisors write articles periodically for the employee publication. The first article in the fall of 1959 was written by the plant manager and was entitled "How You Will Profit by Better Plant Housekeeping."

The article explained what individual workers can do to achieve good plant housekeeping and pointed out that because organic dusts will burn or explode, accumulations of starch, or feed, or sugar could cause a serious fire if ignited. (The company makes food prod-

¹ An Australian pound (£) is the equivalent of \$2.24 in American money; a shilling (one-twentieth of a pound) is equal to 11½ cents.

ucts.) Poor housekeeping could spell the difference between an easily controllable fire or a major disaster, the plant manager explained in the article. He concluded with the following statement:

"Any plant that neglects housekeeping is risking the safety and job security of its employees, and the future of its business. This will not happen here if present enthusiasm is maintained. In order to keep the matter before our minds, I am arranging for other supervisors to give their views on housekeeping in future issues of the *Casco Kernel*."

College Students Observe Handicapped Workers

Almost one year ago, Abilities Inc., of Albertson, Long Island, New York innovated a practice that breaks one of the cardinal principles upon which the company is founded. That principle is the employment of handicapped persons only.

But no one is concerned about this change in the company's procedures because those able-bodied persons whose hiring breaks the Abilities rule are students from nearby colleges and universities who work part time or during summer vacations. And the purpose of their employment is to spread the word about the working abilities of handicapped persons.

It is believed that these students, by working alongside the handicapped people and observing their efficiency in carrying on a thriving subcontracting business, will tell their fellow students and instructors about what they have observed. And after leaving school they may spread the word about the handicapped to the companies with which they become affiliated. This will help to provide a greater employment market for handicapped people.

Twenty to thirty students have worked at the plant during the past year.

Company President Questioned by Company Press

A "President's Press Conference" added a novel touch to the editor's workshop the General Electric Company recently held for forty-eight of its editors and communication specialists. At this conference, editors of the company's several publications were given the opportunity to question GE President Robert Paxton on any subject they thought might interest their readers. Mr. Paxton was asked, for example, how the company is being affected by the steel strike, what steps it is taking to meet the challenge of foreign competition, and how it feels about long-term union contracts. The idea for the conference, which GE regards as a signal success, was born of the realization that, while the company held frequent press conferences for members of the external press, it had neglected to offer the same opportunity to its own internal press—which is expected to interpret company policies and executive statements for GE employees.

Labor Press Highlights

Former Unionists Sue Machinists

TWO of the three members of a California lodge of the International Association of Machinists who were expelled last February for actively campaigning for passage of a right-to-work law in that state have filed suit for at least \$170,000 in damages due to this expulsion.

In their suit, the plaintiffs, both former officers of IAM Lodge 727-E, are claiming \$55,000 each in damages for "grievous physical and mental pain, suffering, humiliation, worry and degradation," plus \$30,000 each in punitive damages, reports *The Machinist*, IAM weekly. In addition, the men claim they are still loyal to the union and are asking that the IAM set aside their expulsion order and reinstate them as union members. Named as codefendants in the suit are District Lodges 727 and 727-E and the grand lodge of the Machinists.

The expulsion itself followed a vote of two-thirds of the lodge who held the trio guilty of "conduct unbecoming a union member." A union spokesman said that the issue is whether these men are "so closely associated with the International Association of Machinists that it would appear to the public in general that they have a union sanction to go forward and espouse the cause of proposition 18" (the California right-to-work measure).

In expelling the men, the lodge claimed it was not restricting free speech, for in the past no action was taken against other members of the same lodge who campaigned actively against candidates endorsed by their union as long as these members took care to act as private citizens and not as representatives of the union.

Last June in a hearing before the House labor subcommittee, District Lodge President John Snider stated that the men had not been hurt economically by the move since "these individuals have not lost their jobs. They have lost the privilege of membership in the union." In fact, he emphasized that "the union has not requested their termination nor would the company accede to such a request made in violation of the three employees' rights."

At a hearing on a preliminary motion Judge Jesse Frampton commented on one of the issues on which the decision will turn. He stated that, if campaigning for the right-to-work law "was just the bare expression of an opinion on a political issue, it may be that the union exceeded its authority. But if it is something

further than this, if it is something which would tend to undermine or destroy the union, I don't think that, in my opinion, a union is required to keep such a person as a member, even though he is exercising his right to free speech."

UAW's "Labor Book Shelf" Program

As part of its education program, the United Auto Workers reports that its local unions have placed a series of five books, entitled "Labor Book Shelf," in more than 1,300 schools in nearly 500 cities.

While emphasizing that few international unions would lay out the \$15,000 required for such a purpose, *AFL-CIO Education News and Views* states that, at \$11.75 per set, the cost to the participating locals is relatively small. Before the fall school term is completed the union hopes to have the "shelf" placed in 200 additional schools.

Included in the set are Levinson's "Labor on the March," Barbash's "The Practice of Unionism," Lester's "As Unions Mature," Shippen's "This Union Cause," and Starr and Faulkner's "Labor in America."

As another part of this year's educational program, says Brendan Sexton, UAW education director, the UAW conducted three resident institutes for teachers in conjunction with the Michigan AFL-CIO. The 300 teachers who enrolled were furnished with free room and board and were only responsible for their own transportation. The programs themselves were designed with a maximum of time for open question and discussion periods.

State Unemployment Administrators Censured

"Strangling unemployment compensation" is the way President Al J. Hayes of the International Association of Machinists described the activities of state employment agencies and business lobbies at a gathering of the Interstate Conference of Employment Security Agencies.

In his speech, reports the *AFL-CIO News*, President Hayes objected to the following practices in the administration of state unemployment compensation:

- "Many state unemployment officials have been blocking jobless pay improvements."
- "State administrators hunt for legal technicalities to deny claims of the unemployed."

• "Employers by lobbying in state legislatures have driven down taxes supporting jobless pay funds until they now pay about one-third what they did twenty years ago."

• "The experience rating system under which an employer pays lower taxes if fewer workers collect jobless pay provides an incentive to fight every claim."

Finally, President Hayes declared that unemployment compensation had been so weakened over the past years that, last year, jobless payments averaged only one-third of weekly wages, whereas in 1939 most states paid at least 60%.

To correct these practices Mr. Hayes urged that the minimum benefits be raised to at least the level of twenty years ago in their relation to wages. Another feature of his plan was the proposal that the maximum period of payments be extended to thirty-nine weeks.

The union leader warned that, "if American workers cannot get an equitable system of unemployment compensation from the state governments, then, I assure you, they are going to get it eventually either through uniform federal administration or through further negotiations for supplemental unemployment benefits."

Unions Apprised of New Rules Governing Dues' Rise

George Meany, president of the AFL-CIO, advised directly affiliated unions that any action by them to raise their dues must conform to the provisions of the new Labor-Management Disclosure Act.

Under this act, reports the *AFL-CIO News*, any increase in dues by a local union must follow a "membership referendum or a majority vote by secret ballot at a membership meeting after reasonable notice."

A rise in dues, continues the union publication, is being contemplated by a number of federal locals as the result of the increased per capita approved by the recent AFL-CIO convention.

Horseshoers Hold Convention

In 1911 the Journeymen Horseshoers had more than 11,000 members working at the trade, reports the *AFL-CIO News*. Recently the union held its fifty-second biennial convention in Chicago. Eighteen delegates representing 281 members heard President George C. Miller stress the need for a program of organization and apprenticeship "in order to keep the trade alive."

Prime target of the organizing campaign will be an area extending from the Canadian to the Mexican border and eastward from the Rocky Mountains to St. Louis, the union weekly announces.

Men wishing to join the union must pass a journeyman's examination in order to receive "a full union

book." Others who are found lacking in some of the skills needed to shoe a horse will qualify for a "half book," which will be stamped "floorman." A floorman, the union publication continues, "is one who can shoe horses with factory-made shoes but can't start from scratch with the raw materials." Under the apprentice program now being worked out by a union committee, it is hoped to use retired members in three locations to train recruits.

The locals themselves are organized on the basis of the members' permanent residence. This is because the horseshoer must follow the race tracks in order to ply his trade.

IUE and IAM Allow Interchange of Membership

Recently articles appearing in the labor press announced the signing of an agreement between the 400,000-member International Union of Electrical, Radio and Machine Workers and the 1 million-member International Association of Machinists whereby a member of either union can effect a transfer to the other. Provided that the member is in good standing in his union, such a transfer will be accomplished, reports the *IUE News*, "without an initiation fee or reinstatement fee if the member presents a withdrawal card, transfer card, paid-up dues book or other evidence of his standing in the organization from which he is transferring."

The duration of the agreement itself, the union paper continues, is indefinite unless modified or cancelled by at least sixty days' notice by either party. When such notice is given, the parties must meet within thirty days to discuss any proposed modification or cancellation.

While the purpose of the agreement is to answer a need for a flexible method of membership transfer, in conformity with applicable constitutional provisions of both the IUE and the IAM, it is not meant to include mass transfer. Where such a mass transfer of employees from one plant or locality to another is involved, the union biweekly emphasizes that it must be the result of a legitimate or mutually agreed-to change in union representation.

At the same time, *The Machinist*, official IAM weekly, stated that this was the eighth such agreement between the Machinists and other AFL-CIO unions. Such agreements exist with the Auto Workers, Cement Workers, Chemical Workers, Furniture Workers, Rubber Workers, Stone Workers, and the Mechanics Educational Society of America.

Signing the agreement for the IUE were President James B. Carey and Secretary-Treasurer A. Hartnett; and for the Machinists, President A. J. Hayes and Secretary Elmer Walker.

JOHN J. MCKEW
Division of Personnel Administration

Management Development

(Continued from page 391)

Because the company's needs are varied, the institute's curriculum has had to be broader than that of many training departments. It has had to include such directly vocational courses as "How to Build a Safe Work Force," courses designed to broaden managers' backgrounds through a survey of the total company organization and its work, and such higher education work as the "Bio-Statistics" already mentioned. But the emphasis has been on developing the company through developing its personnel.

Who Teaches the Courses

Just as specialists are used as guest lecturers in the scientific seminar series, "outsiders" are used to teach many of the longer company courses. Frequently, however, the required talent is found somewhere within the company. And many employees have had the experience of being both students and faculty members the same day.

Because the institute has been able to make effective use of employees for much of the actual teaching, the company has been able to avoid building up a large specialized teaching staff. The institute is run by a director, a program coordinator, and a conference leader. Their function is largely to develop new courses, integrate them into the total curriculum, and coordinate the work of company and outside faculty members.

"Outsiders" are represented in the direction of the institute as well as in its classrooms. The president of Evansville College and a professor from the business school of Indiana University sit with the institute director and five company officers as an advisory committee. It is the function of this committee to review the work of the institute and to make recommendations concerning the curriculum.

The physical facilities of the institute were designed to provide model arrangements for instruction. Two large conference rooms, several smaller rooms, and the growing institute library are comfortably furnished and provided with the latest audio-visual equipment. The planned use of color and an effective air conditioning system make the institute's conference rooms not only pleasant but also conducive to hard intellectual work.

In addition to its own courses, the company has a tuition-refund program. When a needed course can be obtained less expensively or more effectively at an outside institution, arrangements are made for the manager to register there. As with internal courses, the work to be taken must be related to the manager's

job and must be approved in advance by his supervisor. Upon satisfactory completion of the course, the full tuition is refunded by the company.

The institute's plant is probably more elaborately furnished and equipped than are many training facilities. But the uniqueness of the program lies in the fact that it was developed in terms of the needs of this particular company, at a particular time in its history, to meet the particular goals it had set for itself. It was not thrown together secondhand; it is not a combination of pieces of programs from other companies. It is not an extra; it is part of the atmosphere of growth which characterizes the company today.

The president set the tone and the general direction for this program when he said: "Our company is a growing organization. To be assured of continued growth, we must develop the most valuable resource of our business — management and employee talent. Growth for the future must be based on developing the abilities of all employees so they can make the greatest possible contribution to their own and to the company's success."

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Management Bookshelf

A Guide to Systematic Wage and Salary Administration

The scope of this bulletin is limited to an over-all explanation of the philosophies and principles that underlie equitable, consistent and systematic wage and salary administration. The author calls attention to the importance of relationships in rates of pay and then discusses the general problems of how often pay rates should be considered, how much weight should be given to surveys, and how available wage and salary administration tools can be used to best advantage. Marginal space is provided on every page to make it convenient for the reader to take notes. *By Robert D. Gray, Bulletin No. 29, California Institute of Technology, Pasadena, California, 1959, 38 pp., \$1.*

Unions and Union Leadership—Brought together in this anthology are the challenging views and comments of researchers, newspaper reporters, educators, economists, sociologists, and psychologists. Discussions cover the status of the labor movement in the United States; the development of union leadership on all levels of organization from the local to the AFL-CIO federation presidency; the methods of control and policies of various international unions; the many management-union conflicts which have occurred in recent years; and the problems unions are now facing with regard to politics, automation, racketeering, and the Negro worker in the union. *Edited by Jack Barbash, Harper and Brothers, New York, New York, 1959, 348 pp., \$6.*

Wage and Fringe Developments in Bargaining

The Kaiser steel agreement provides for two committees to deal with the many problems connected with automation. Other aspects of the contract are also covered

IN RECENT MONTHS the knotty problem of work rules and automation has been dealt with in a number of new contracts; they have provided that joint committees be set up to study the situation and to make recommendations. This was done by Armour & Company in its recent contract with the Meat Cutters and Packinghouse Workers. The Pacific Maritime Association followed a similar course in its agreement with the International Longshoremen's and Warehousemen's Union. And the new Kaiser steel agreement also provides for committees to cope with the problem. But, unlike the first two agreements, the Kaiser contract does not establish a specific fund for use by the committees in fact finding and problem solving.

The Kaiser agreement provides for two committees; one is authorized to develop a long-range plan designed to promote stability of employment and insure equitable sharing of increased productivity. Recommendations from this committee are to be made before the end of the first contract year, July 1, 1960. Based on the committee's recommendations, the company and union may agree to rescind the wage and cost-of-living provisions slated to become effective in the second year of the contract and to substitute some other arrangement. A second committee is set up to study problems arising from automation, technological change, and local working conditions. This committee is authorized to settle problems in these areas by mutual agreement.

During the first year of the contract, wage rates remain unchanged, but the company agrees to assume the employee's share of the hitherto contributory insurance plan. This is provided by the company as a substitute for whatever cost-of-living adjustment would have been due next January. Thus, employees realize an immediate increase in take-home pay in amounts equal to their former contributions to the insurance plan, but no cost-of-living adjustment can be made until July, 1960.

Other immediate changes take place in pensions, supplemental unemployment benefits and insurance. The contract also provides for union-management study of the medical-care program to determine how it may be improved. Specifically, the study aims at finding out whether funds for the program are being spent

efficiently, the extent to which the program fails to cover health-care costs, and the advisability of providing alternative methods of health care.

A noteworthy change in the pension plan is the lump-sum payment that goes to each retiring employee; the amount is equal to three months' full pay (less any vacation taken in the year of retirement). The ceiling on accumulation of pension credits is raised from thirty to forty years. Monthly pension benefits under the minimum benefit formula are changed to \$2.50 per month for each year of service before November 1, 1959 and to \$2.60 per month thereafter. (The old formula was \$2.40 a month per year up to November 1, 1957 and \$2.50 thereafter.) For calculating pension benefits under the 1% formula, the Social Security deduction is reduced from \$85 to \$80 a month.

Other pension changes include a full retirement pension for employees terminated at or after age fifty-five with fifteen years' service. Also, early retirement with full pension at age sixty with thirty years' service is permissible in certain cases. At age fifty with fifteen years' service, pension benefits can also be obtained if an employee is laid off and there is little likelihood of his being recalled to work.

A 7-cent hourly general wage increase and an increase in the increments between job class rates of .2 cent are effective the second year of the contract. Cost-of-living adjustments up to a maximum of 3 cents an hour may be made, but these adjustments are subject to change as a result of recommendations which may be offered by the committee. The expiration date of the basic contract is June, 1961, with pension, SUB, and insurance agreements expiring the following October.

Pro-Rata Vacation Allowance for Laid-Off Employees

The new contract with National Biscuit Company and the American Bakery and Confectionery Workers Union revises the vacation provision to include pro-rata vacation pay for employees who are permanently laid off. Under the new vacation clause, terminated employees receive an allowance which is geared to the vacation pay schedule. When an employee who has worked six months or more in a calendar year is laid

(Text continued on page 416)

Significant Pay Settlements

Company, Union¹ and Duration of Contract

Pay Adjustments

✓ Fringe Adjustments

MACHINERY

Nordberg Mfg. Co. with
Steelworkers in Milwaukee, Wis. 1,200 hourly
 Effective 9-1-59. Contract expired
 New contract: 3 years

6¢ per hour general increase; additional 1½¢ increment in each labor classification; additional 1¢ per hour inequity adjustment for 138 employees; additional 20¢ per hour above base rates for installation workers while on the road; \$1.80 per hour new starting rate for apprentices
 Deferred increase: Additional 7¢ per hour effective 9-1-60 and 9-1-61

Revised: Vacation plan; health and welfare insurance; pension plan

The Wh Shovel Co. with
Steelworkers in Lorain, Ohio. Approximately 900 hourly and clerical
 Effective 10-5-59. Contract expired
 New contract: 2 years

5¢ per hour general increase; revised cost-of-living adjustment clause permits 1¢ for each .4 point and .5 point increase
 Deferred increase: Additional 5¢ per hour 10-3-60

Part of 5¢ general increase due 10-3-60 may be applied toward increased pension benefit

Yale & Towne Mfg. Co. with
IAM and Office Employees in Philadelphia, Pa. 1,700 hourly and salaried
 Effective 8-31-59. Contract expired
 New contract: 2 years

7¢ per hour general increase
 Deferred increase: 7¢ per hour 8-31-60

Revised: Pension plan; health & welfare plan

Century Electric Co. with
IUE in St. Louis, Mo. 1,500 hourly
 Effective 10-1-59. Contract expired
 Next wage reopening 10-1-60 (for skilled trades only)

7¢ per hour general increase for production workers, 12¢ for skilled trades employees, 17¢ for apprentices
 Deferred increase: Additional 7¢ per hour for production workers 10-1-60

Added: 2 weeks' vacation after 3 years
 Revised: Pension plan

Emerson Electric Mfg. Co. with
IUE in St. Louis, Mo. Approximately 3,000 hourly
 Effective 10-5-59. Wage reopeners
 Contract expires 10-5-61

3½% general increase for straight-time workers, 2¢ per hour in base rate for incentive workers
 Deferred increase: Similar increases effective 2nd year

Revised: Vacation plan

Western Electric Co. with
Communications Workers, Nationwide. Approximately 12,500 hourly and clerical
 Effective 9-28-59. Contract expired
 New contract: 16 months

\$2.25 to \$2.75 per week increase for job clerks; 5¢ to 12¢ per hour for installers

No change

General Tire & Rubber Co. with
Rubber Workers in Jeannette, Pa. 655 hourly
 Effective 8-1-59. Contract expired
 New contract: 2 years (labor agreement); 5 years (pension, insurance and SUB)

9½¢ per hour general increase; additional 1½¢ per hour inequity adjustments for mechanical division employees

Revised: Pensions; insurance; SUB plans

Mansfield Tire & Rubber Co. with
Rubber Workers in Mansfield, Ohio. Approximately 1,800 hourly
 Effective 8-30-59. Wage reopeners
 Contract expires 5-1-60; welfare agreement expires 8-15-64

10¢ per hour general increase

Revised: Pensions; insurance; SUB benefits

Richardson Co. with
Rubber Workers at various locations. Approximately 1,500 hourly
 Effective 10-3-59. Wage reopeners
 Various expiration dates

6¢ per hour general increase

Added: Paid holiday

Kaiser Steel Corporation with
Steelworkers at Fontana, Cal. hourly
 Effective: 7-1-59 (signed 10-26-59); pensions, insurance and SUB effective 11-1-59. Contract expired
 New contract: 2 years

Deferred increase: 7¢ per hour general increase effective 7-1-60

Revised: Pension; insurance; SUB plans; advance 2¢ cost-of-living adjustment applied to employees' share of contributory insurance plan

OTHER DURABLE MANUFACTURING

Significant Pay Settlements—continued

Company, Union ¹ and Duration of Contract	Pay Adjustments	Fringe Adjustments
Debaker-Packard Corp. with IW in South Bend, Ind. Approximately 7,000 hourly Effective 9-1-59. Wage reopening Contract expires 11-30-61	8¢ per hour general increase Deferred increase: Additional 6¢ per hour effective 9-1-60	Revised: Pensions and insurance
General Biscuit Company with IATSE and Confectionery Workers at Pittsburgh and Philadelphia, Pa.; Atlanta, Ga.; Houston, Tex.; Denver, Colo.; Cambridge, Mass.; and Buffalo, N. Y. Effective 9-1-59. Contract expired New contract: 2 years	12¢ per hour general increase plus classification adjustments Deferred increase: 10¢ per hour 9-1-60	Added: Prorata vacation allowance for employees permanently laid off Revised: Temporary classification provisions; company contribution to health and welfare, and additional paid holiday
Swift & Co. with Packinghouse Workers, ind., Packinghouse Workers and Meat Cutters. Nationwide. Approximately 23,000 hourly Effective 10-59. Contracts expired New contract: 2 years	8½¢ per hour general increase for employees of northern plants and workers in Nashville, Tenn.; 5¢ per hour general increase for employees in southern plants Deferred increase: 6½¢ per hour for employees of northern plants; 3½¢ for employees of southern plants, effective 9-1-60 (no increase in 1960 for workers in Nashville, Tenn.)	Revised: Severance pay; vacation plan; savings and security plan (independent union only)
Wingstrom Paper Co. (Safety Division) with Sulp, Sulphite & Paper Mill Workers and Papermakers & Paperworkers in Neenah, Wis. 310 hourly Effective 8-1-59. Contract expired New contract: 1 year	Papermakers & Paperworkers—4¢ per hour general increase; additional classification adjustments ranging from 3¢ to 25¢ per hour Pulp Sulphite & Paper Mill Workers—3½% general increase; new minimum rates—\$1.58 per hour for women, \$1.76 per hour for men	Revised: Vacation plan
Los Angeles Paper Box & Board Mills with Sulp, Sulphite & Paper Mill Workers in Los Angeles, Calif. 77 hourly Effective 7-1-59. Contract expired New contract: 1 year	3% general increase; new minimum rate \$2.21 per hour	No change
Menasha Container of Calif. with Sulp, Sulphite & Paper Mill Workers in Anaheim, Calif. 217 hourly Effective 7-1-59. Contract expired New contract: 1 year	3% general increase	Added: Paid holiday; company contribution to health and welfare insurance
Scott Paper Co. (Hollingsworth & Whitney division) with Sulp, Sulphite & Paper Mill Workers; Papermakers & Paperworkers; IAM; IBEW; and Office Employees in Winslow, Me. 800 hourly and salaried Retroactive to 6-2-59. Contract expired New contract: 1 year	7¢ per hour general increase	Revised: Vacation plan
Paulding Fibre Co., Inc. with IAM in Tonawanda, N. Y. Approximately 1,200 hourly Effective 10-1-59. Contract expired New contract: 18 months	8¢ per hour general increase	Added: ½ day holiday (New Year's Eve)
Illinois Bell Telephone Co. with Telephone Commercial Employees, ind. in Illinois. 468 salaried Effective 9-27-59. Contract expired New contract: 15 months	\$1.50 to \$5.50 per week general increase	No change
International Telephone & Telegraph Laboratories with IUE in Nutley, N. J. Approximately 1,700 hourly and salaried Effective 9-22-59. Contract expired New contract: 2 years	3.79% general increase for nonprofessional employees; 4.3% for professional employees	Added: Holiday and 2 hours off on Election Day Revised: Life insurance plan; Blue Cross-Blue Shield insurance

¹All unions are affiliated with the AFL-CIO unless otherwise indicated.

off permanently, he is entitled to one-twelfth of his vacation pay for each month worked during that year. Payment of the allowance becomes effective on January 1 of the year following layoff.

Other features of the two-year contract include a 12-cent hourly wage increase and classification adjustments. An additional 10-cent hourly boost is deferred until the second year. The new contract also revises seniority and temporary classification provisions, and company contributions to the health and welfare fund are increased.

Unlike the old contract, the new agreement provides for a uniform ruling on temporary classifications. The ruling states that any employee who works four hours or more in a higher classification than his regular one

is compensated for the entire day at the higher rate. Under the old contract employees at one plant could not receive the higher rate when temporarily assigned until they had worked in the higher-paid classification for a week or more. At two other plants hourly employees who were assigned temporarily to a supervisory capacity were paid 10 cents an hour above their hourly rate or the highest rate in the department, whichever was greater.

The health and welfare contributions made by the company are changed from 6 cents an hour to \$12.30 a month for each employee who works a minimum of eighty hours per month.

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The Conference Board Management Record

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In the December Business Record

Optimism on 1960 Outlook Tempered by Steel—Most of the 220 manufacturing firms participating in this month's survey of business opinion and experience do not expect the steel strike to affect their business significantly for the first half of 1960. More than two-thirds of the respondents predict that their new orders, dollar billings, and profits will exceed those for the corresponding months of 1959; 78% of the companies foresee an increase in production rates as compared with year-earlier levels. Some respondents, however, do note the possible adverse effects of steel shortages and tight money, and many predict that rising costs and keen price competition (stemming from overcapacity and cutbacks in defense contracts) will restrain profits in the first half of 1960.

The Business Cycle: Back in Business—The cost of the steel strike can now be measured in terms of lost man-hours, wages, profits, and taxes. Most of these losses are likely to be made up in 1960, but many economists fear that the whole nation may feel the adverse effects of the strike in 1961. Activity, sales, and earnings in the first half of 1960 will almost certainly reach record levels as steel supplies are restored, and these records may build a general tide of optimism into the outlook for next year. In four major areas—plant and equipment demand, inventory demand, commodity prices, and securities prices—the forecaster's job will be to watch for seeds of possible recession in 1961.

Prices: A Combination of Ingredients—"Over the last few months, price activity, at both wholesale and retail levels, appears to be concentrated in the food group, while the composite picture of other commodities shows very little change. . . ." A closer view of the price index reveals a great deal of activity in component groups, with seasonality playing its part in both food and nonfood sections.

Food Costs in Work Time Here and Abroad—International living cost comparisons are difficult to make—and at best are to be taken only as rough approximations of actual relationships. Here an effort is made to compare the work time needed in seven different countries to earn enough to buy a stated amount of food. Changes over a three-year period are also indicated.

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